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GERMANY, GREAT BRITAIN AND THE UNITED STATES.

IN the summer of 1902 the writer of these lines made a journey to Charlottenburg, to see one of his old and most respected and beloved teachers — Professor Theodor Mommsen, the great German archæologist and historian. It was more a pious pilgrimage than a journey, for we both felt that, at Professor Mommsen's great age, eighty-five, it was hardly probable that we should ever meet again on earth. The interview was long and serious, and took on the form of instruction and advice from the great scholar concerning the problem of the world's civilization. He declared his belief that close friendship and good understanding between Germany, Great Britain and the United States, the three great Teutonic nations, were indispensably necessary to the solution of this all-comprehending problem; and his parting injunction was: "Preach this doctrine far and near, wherever and whenever occasion will permit." When asked if his view was concurred in by Germany's leading men, he answered unhesitatingly in the affirmative.

It would be too much to say that this exhortation, though coming from one of the world's most learned men, is the sole reason for the appearance of this paper. The writer himself has long held the opinion expressed by Professor Mommsen, and has only become strengthened in it by fuller study and maturer experience. It appears to him that the time has at length arrived for the calm and friendly discussion of this momentous subject;

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and such expressions as those of Professor Mommsen — and he has heard many such from Germans of only less note than the great historian — have emboldened him to begin it.

Between the three peoples there is, in the first place, ethnical affinity. The people of Germany, Great Britain and the United States are substantially of Teutonic stock. In a large and general sense, Germany is the motherland of Great Britain, as Great Britain is the motherland of the United States. Moreover, Germany is not merely the motherland of our motherland; she is in some degree, racially, the immediate motherland of the United States. This ethnical affinity, I grant, does not count for much if it means only that the same blood courses through the veins of the majority of Germans, Englishmen, Scotchmen and North Americans. But if it has produced and maintains a substantial consensus of opinion concerning rights and wrongs, liberty and government, policy and interests, it counts for very much. It has then become an ethical as well as an ethnical bond, and such a bond is the strongest that human history forges. Now who that really knows anything about the history and institutions of Germany, Great Britain and the United States can, for one instant, doubt that such a bond exists between the peoples of these three great countries; or that the common institutions and ideas that bind them together separate them as distinctly from the Romanic, Celtic and Slavic peoples of Europe, and from all other peoples in other parts of the world, as the waters of the Atlantic are separated from those of the Mediterranean at Gibraltar?

Let it be noticed, at this early point, that I am careful in drawing these lines. There is a population of some fifteen millions in Sweden-Norway, Denmark and the Netherlands, which, taken man for man, is probably the purest Teutonic stock, and the best stock, in Europe. I mean to include them in all that I have to say in regard to the ethnical and ethical affinity among the Germans, Britons and North Americans, and in all that I have to say in regard to the necessity of understanding and cooperation between Germany, Great Britain and the United States in the great work of the world's civilization. Politically they are not great powers, but physically and morally they are a magnificent force, and in connection with the three great Teutonic

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powers they can render invaluable service to the spread of Teutonic culture. There are also some fifteen millions more of Teutons in the Swiss Republic and the Austro-Hungarian Empire, who have done most of what has been done for the upbuilding of those states. They also, if properly handled, will prove of great aid in the enterprises of the three Teutonic powers for the extension of civilization.

Now what are these points of ethical and political consensus in which the Teutonic peoples so closely agree, and in which they are so clearly distinguished from all other peoples?

First and most important of all is their high sense of individual worth and of individual rights. From the days of Tacitus to those of Castelar this has been recognized, even by writers of Roman and Romanic blood, as the prime characteristic of the Teutonic peoples. Out of it has sprung their profound respect for individual life and liberty, for the chastity of women and the sacredness of the home, for freedom of thought and of conscience, and for the security of private property — impulses which, as time and thought and experience have given them form in the understanding, have become elaborated into the so-called bills of rights, which are the chief glory of their political constitutions and the realization of which is the chief end of all their governmental arrangements. It is not too much to say that the individual initiative in enterprise, the individual energy in research and the individual conscience in ethical development, which have thus been fostered, sustained and encouraged in these great states, have been the prime forces in the civilization of the modern world. Over against these qualities and principles and institutions are to be found, in the other parts of the world, less respect for human life, individual liberty and individual worth; lower appreciation of woman and the home; less regard for the security of property; paternalism and despotism in government, relieved by periods of temporary anarchy; slavish attachment to precedent, and the ethical and religious conscience crushed beneath the weight of a priestly system of authoritative religion and morals.

In the second place, these three states have reached a substantial consensus of opinion in regard to the principle of local self-

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government. Two of them have the system of federal government, constructed and defined by written constitutions; and in the institutional life and history of the other the custom of local self-government is so firmly embedded that Parliamentary acts are passed to aid its development, but never to destroy it nor even trench upon its proper sphere. The local self-governments are not only the most effective possible instruments for safeguarding local interests and working out sound local policies, but they are the best possible popular seminaries for political training. It is in and through them that latent political talent is best brought to light, disciplined and developed. In contrast with the principle and practice of the Teutonic states upon this subject, almost all the other states of the world govern locally by means of mere official agencies of the central government. Little opportunity is given for any variety of local custom upon matters of even the most minor importance; and thus little chance is allowed for a variety of experiences in dealing with like subjects, out of which, by a comparison of results, a more intelligent custom or regulation may be attained. The interest of the people in their local government is not only not encouraged, but destroyed; and political ignorance rather than political education is the outcome of the system.

In the third place, these three great peoples have planted all of their institutions upon the basis of the national state and are developing them through the realization of the national principle. Now the meaning of this is manifold and most important. It means that the boundaries of states shall correspond with the physical boundaries of natural defense and the ethnical boundaries of population. It means that the larger part of the population within the given physical unity has arrived at a consensus of opinion concerning rights and wrongs, interests and policy, and that this larger part has become the real sovereign power within this unity and over this population. It means, therefore, that the state has become really democratic, whatever may be the aspect of its governmental organs; and that the powers of the government are and must be employed for the welfare of the governed and not for the advantage of a governing race or class or caste. It means, lastly, that in the expansion of the power

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of such states over other lands and populations the prime purpose is the carrying of the civilization of which they are the organs into the dark places of the earth for the enlightenment and advancement of the inhabitants of these dark places, and that any particular advantage which they themselves may gain from expansion shall be incidental and secondary and shall not conflict with the end which alone justifies and sanctifies the movement. Contrasted with this, the Roman and Romanic genius, when not corrected by a Teutonic element, stands for universal empire, and the Slavic genius stands for universal anarchy. Each of these is a menace in principle to the peace and civilization of the world; while the system of national states, at the same time that it solves the problems of individual liberty, local government and general government, has produced the system of modern international law, which is gradually establishing and securing the peace of the world.

Lastly, when we regard the finer elements of civilization and culture, science, literature, art and music, we become immediately aware of a conscientious thoroughness, a high moral tone, and a sound and truthful imagination on the one side, and more or less superficiality, looseness and fancifulness on the other. On the whole, I venture to say that, to any profound and thorough student of the world's civilization, the proposition will appear not more and not less than the sober truth that the Teutonic genius and the Teutonic conscience are the two greatest forces in modern civilization and culture.

If this be true, then why should not the three great political representatives of this genius and conscience co-operate in bearing their civilization and culture into the other parts of the world? In the nature of things and in sound principle there is no reason why they should not, and there is every reason why they should. But in the world of fact, petty fact in most respects, there are obstacles to the attainment of this result. The existence of such obstacles is evidenced by a certain hostile feeling between some parts of the population of these great states. In Germany such a feeling is found chiefly among the bumptious and chauvinistic youth; in the United States chiefly among naval officers and those whom they influence; and in England, as I am told by

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Englishmen of judgment and standing, it is rather general. In Germany, the hostile feeling is directed almost wholly against England; in England it is directed almost wholly against Germany; and in the United States it is directed chiefly against Germany. In all three cases it rests largely upon misunderstanding, or upon exaggeration of real grievances.

In Germany, dissatisfaction with England and the English, in so far as it is not attributable to the rather arrogant personal bearing of Englishmen generally, goes back at least to the period when the present Emperor's mother was, as crown princess, working against the Russian-friendly policy of the Emperor William I and Prince Bismarck, and endeavoring to make the new German Empire an ally of Great Britain. It was fresh then in the memory of all Germans that Russia's attitude in the Franco-Prussian war had been of great service to Prussia, and it was felt by all that it would be base ingratitude to turn the back upon Russia by entering into intimate relations with Russia's natural enemy in the Orient. Moreover it was regarded by the German government and the German people as a very dangerous thing for Germany, then just in the process of establishing her newly found unity, to irritate Russia by such a change in her diplomatic relations. The vigorous and continuous insistence of the crown princess — "the English woman" as she began to be called — upon a pronounced Anti-Russian policy, at a moment so inopportune, produced a feeling among almost all classes of the German people that Great Britain would be willing to sacrifice Germany's most vital interests in order to use Germany against Russia. In a sentence, it produced the feeling that Great Britain was unconscionably selfish in her foreign policy. The short reign of the Emperor Frederick and the speedy accession of William II, who held, at first, firmly to the diplomacy of his grandfather and of Bismarck, removed this source of irritation; and the feeling against Great Britain had largely subsided, when the British movements in South Africa and the Boer war revived among the Germans the belief that the British were a wholly selfish people and wanted the whole world brought into colonial subordination to them. The Boers were Teutons, as nearly akin to the Germans as were the English themselves; and it seemed

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to the Germans, from the idealistic point of view, that Great Britain was engaged in an unwarranted encroachment upon well-established rights, and from the point of view of trade and of commerce, that the British were pursuing a policy injurious to Germany's interests in South Africa. The German government, indeed, held itself neutral in the contest; but there were many manifestations among the German people and in the German press of a hostile feeling against Great Britain. That feeling is, however, now again abating, and in a short time it will be a thing of the past.

The feeling in England against Germany rests chiefly upon resentment against the attitude of the Germans, or rather of a part of the Germans, during the periods and upon the two questions just considered, and upon the commercial rivalry between the two countries. The first may be regarded as temporary and as relatively trivial. The second is more serious. From the condition of a chiefly agricultural country, England has seen Germany advance, during the last thirty years, to the position of a great manufacturing and commercial rival. It is not an easy thing for the old sovereign of the seas and of the world's trade to become accustomed to a competition in the domain which she has so long considered exclusively her own. She has not only been forced to take less for her products and her services in the world's markets and in the world's intercourse, but she has been driven to modify her methods and manners in dealing with other states and other peoples. Now all this is rather galling to British pride and condescension, as well as depleting to British pockets; but it is wonderfully advantageous to the rest of the world, and the Britons will be compelled to see, in the long run, that the existence of such a rivalry, when fairly pursued, furnishes no just cause of complaint or hostile feeling. This too must be set down as a vanishing obstacle to a friendly and intimate relation between Germany and Great Britain.

As I have already indicated, a friendly feeling in Germany toward the United States is, at present, practically universal. I have spent a considerable part of the last three years in that country, and I have heard everywhere and among all classes the earnest desire for good understanding and intimate relations

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with the United States, and I have heard nothing in the opposite direction from anybody of any reputation or importance. In the court and governmental circles this desire is most pronounced, earnest and, I fully believe, sincere. During the period of the conflict between the United States and Spain, there was a feeling in Germany that the United States was proceeding rather ruthlessly in the work of seizing the Spanish colonies. Many of the best, purest and most unselfish minds among the Germans were deeply astonished to see the free Republic, the ideal of their thoughts and hope, assuming the rôle of militarism and empire, and, in the height of their emotion, they gave expression to words of rebuke and reproach. Others, not moved by such ideal considerations, had financial interests at stake which appeared to them seriously threatened through the seizure of the Spanish colonies by so great a power as the United States, and they exerted what influence they had to prevent it. The German government, however, preserved its neutral position and discouraged any European coalition in behalf of Spain; and during the past few years the generous treatment of Cuba and the sacrifices made for the inhabitants of the Philippines have taught the German people that the Republic can have colonies and a world policy without becoming a military despotism, and that the honest interests of foreigners are, and will be, better protected throughout the old colonial dominion of Spain by the new sovereign than by the old. There is now scarcely a trace to be observed of the displeasure awakened by the events of 1898.

Down to within the last half-dozen years, the cordial feeling on the part of the people of the United States for Germany had, for a century and more, experienced an almost unbroken development. The high estimation in which Washington and Frederick the Great held each other, and the fact that Prussia alone of all the European powers would enter into a treaty of commerce with the United States during the period of our Confederation, the period of our great weakness and need of foreign friendship, served largely to overcome the hostility against the Germans produced during the Revolution by the acts of the Landgrave of Hesse, and placed the relations between the chief power in Germany and the United States upon the true basis. From that

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period to the era of the Civil War in the United States the friendship between the United States and all the states of the German Confederation grew and developed. An extensive immigration from those states into our Northwest had been for some years in progress before the outbreak of the great struggle for civil liberty and national unity. During that terrible crisis in our history, Germans filled, as soldiers, the regiments of the Union and, as officers, drilled and disciplined its forces, and led them to battle and to victory. Their knowledge of military science and tactics was invaluable to the cause of the Union and contributed greatly to the ultimate triumph of the cause. The friendships between Germans and Americans, produced by comradeship in camp and campaign, also served to unite the people of the two countries in the bonds of a better understanding and a stronger affection. To this must be added the very important facts that during the struggle for the existence of the Union, the German states never wavered in their official neutrality, and the German people at home watched with sympathy and pride the loyalty of their kindred to the great cause. They seemed to have a sort of presentiment and prevision that the success of that cause would help powerfully in bringing about the realization of their national ideal for the Fatherland.

From the close of the Civil War began the great exodus of American students to the German universities. Before that time a few notable Americans, such as Everett, Bancroft, Motley, Longfellow and others, had studied in Germany; but by far the greater number of the American students who went abroad to pursue their work went to France or to England. The attitude of France and England toward the cause of the Union during the great crisis repelled the young men of the North from attending their institutions of learning, and the South was too much impoverished by the struggle to send her youth anywhere. From 1870 to the present time, the principal German universities have counted their American students by scores and hundreds; and these men, upon their return to their native land, have gradually taken possession of the professorial chairs in the leading universities of learning in this country. It is no exaggeration to say that the control of the higher education in the United States is

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now in the hands of men who have been educated in the German universities, who read and speak the German language, who know the German literature and science, and who entertain a strong affection for the land and people where and among whom they developed their ideals of life and culture. This is a powerful bond of connection between the two countries.

The unfortunate episode in Manila Bay and the anxiety of the German holders of Spanish-Cuban bonds caused in the United States, in certain circles, especially the navy circle, a coolness of feeling towards Germany. This has now, however, given place again substantially to the old cordiality in the minds of most, especially since it has become known that Germany was at that period as much opposed as England to any European coalition against the United States. This correct turn in feeling will become still more pronounced when the actual reason of the conduct of the German admiral in Manila Bay shall be generally known and appreciated. He had not the slightest idea of contesting any plan of the American forces in reference to Manila or the Philippines. He supposed — as all the world supposed and had full reason from our history, our previous policy and our past assurances to suppose — that the United States would never think of making conquest of the Philippines. He supposed that the destruction of the Spanish fleet was the ultimate purpose of the Americans, and that the Spanish and native forces on the land would be left to try conclusions between themselves. There were German interests to be protected in case of such a conflict, and he conceived it to be his duty to place himself in a position to discharge this obligation. This explanation of the admiral's conduct has been made to me so often by Germans of high standing that I am obliged to accept it as the truth. When viewed with the knowledge and under the calmer conditions of the present day, there was absolutely nothing in the attitude of the German government or the German people during the crisis of 1898 which was not entirely compatible with perfectly friendly relations between the two countries; or, at the very worst, nothing which should excite in any fair mind anything more than a passing displeasure.

One of the grounds sometimes alleged in the United States for distrusting Germany is that this power is supposed to intend, if

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possible, to establish her authority over certain parts of South America, *viz.*, those parts which, like Southern Brazil, are largely peopled by German immigrants. Such a desire has been expressed by some Germans in Germany; but among the Germans in South America no desire has been shown to be brought under the rule of their mother country. No such scheme has received any sort of encouragement from the German imperial government, nor is any such eventuality now regarded by any Germans of position or influence as within the range of useful political speculation. The idea that Germany is likely to question or attack those American interests that are expressed in the Monroe doctrine is simply a political nightmare. In fact, those interests and that doctrine have never received, in the conduct of any European power, more ample recognition than was accorded by Germany, Great Britain and Italy in 1902, when, before attempting to force Venezuela to pay claims due to their subjects, they assured the United States government that no territorial occupation was intended.

During the greater part of the independent existence of the United States there has been, among its citizens, a prevailing feeling of hostility towards England and the English people. The political and national contest between the two countries, concluded by the treaty of 1783, was followed by a commercial struggle of thirty years, ending in the war of 1812–15. For nearly half a century, the enmity between Britons and Americans grew and developed until the Americans came to regard England as their traditional and natural foe. The policy of the United States, after 1815, to shut itself off from the rest of the world and devote its energies exclusively to its own national development tended to foster this feeling of aversion towards the motherland; and the generation of 1815 had not passed from the stage before the Oregon controversy fanned the smothered fires of hatred against England into flame again. And after the peaceable settlement of this question, not fifteen years elapsed before the attitude of the British government toward the Union in the great crisis of its existence roused once more the wrath of loyal Americans against the offender. The treaty of Washington and the Geneva Arbitration re-established friendly relations between the governments

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of the two countries; but the American people, both North and South, only too generally continued to regard Great Britain as a selfish, perfidious and treacherous nation. Nearly twenty years of gradually improving relations, not only between the governments, but also between the people of the two countries, now followed, when, on December 17, 1895, President Cleveland's Venezuela message roused once more the latent anti-British passion in the American heart to a furious and largely senseless outburst. The tact and prudence of the British government saved the world from the terrible scandal of seeing two of the chief bearers of civilization insanely clutching at each other's throats over a matter that was not worth the sacrifice of a single human life to either of them; and once again outwardly friendly relations were re-established. Finally, the clever diplomacy of Salisbury and Chamberlain, during the years 1897 and 1898, produced a cordiality of feeling towards Great Britain among the people of the United States which had never before existed, at least in any such degree. There is little question that their prime purpose in it all was to distract the attention of the United States from the doings of the British in South Africa and to forestall any active sympathy on the part of the United States for the Boer republic in the death struggle which was rapidly approaching. But the republican fanaticism, I do not like to say conscience, of the people of the United States, has become, as the English foresaw, so substantially modified by the new experiences of colonial conquest and rule, that the discovery of the purpose of the extraordinary courtesy and deference of the British government during the conflict between the United States and Spain has had little modifying effect upon the newly established affection of the Americans for their British cousins. In fact we may almost say that the beginnings of an Anglomania are apparent, seen especially in the imitation of British pronunciation and social customs, the playing of British games, and the flocking of American heiresses to the motherland for the very generous purpose of refurbishing, with democratic money, the somewhat faded trappings of British aristocracy. While plain Americans are not exactly edified by such manifestations of good understanding between the two countries, they, or at least those of them who can contemplate things objectively, are

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gratified that such an understanding does at last exist; for undoubtedly the most important element in the commercial as well as the diplomatic interests of the United States is close friendship and free and active intercourse with Great Britain.

Resurveying this whole question of reciprocal feeling between the peoples of the three countries, it becomes tolerably manifest that the chief obstacle of this nature in the way of a good understanding between them is the rather dogged and somewhat unreasonable dislike entertained by the English for the Germans. Perhaps it might help the English to put this aside if they should be frankly told that the close friendship which they seem to be assiduously cultivating with the United States can never reach the best result, I might as well say the desired result, if the cost of it to the United States is to be estrangement from Germany; because, besides the sentimental reasons for close friendship between the Germans and the people of the United States which I have already indicated, there exists a practical reason of the very highest political importance. It can best be explained by asking and answering the question: What would the German Empire be compelled to do, if England and the United States should form an alliance leaving Germany out? Anybody who knows anything at all about European diplomacy can answer this question off-hand. Germany would be driven back into the arms of Russia, dragging Austria with her certainly, and Italy probably. The entrance of France into the imagined Anglo-American alliance would be no offset to this, even if it be supposed that France could be induced to take such a step. The supposition is most unlikely, for such a policy would be highly dangerous to France herself. The French cannot afford to do anything which would cement the interests of Russia and Germany. They know that well enough; and in any alignment which would bring Russia, Germany and Austria together, they would almost certainly seek their own safety in unison with the continental powers. In a sentence, an Anglo-American alliance, from which Germany was excluded, would in all probability provoke a counter-alliance of the principal continental states. Great as would be the value to the United States of a close relation with Great Britain, it would still not be sufficiently great to offset the dis-

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advantage of such a situation. While I am sure that the Americans are a far more sentimental people than the Europeans believe them to be, I am equally sure that they are an eminently practical people; and they would hardly commit such a practical blunder as to give occasion for the consolidation of continental Europe against American trade and diplomacy. Nor is there, as I have indicated, any sentimental reason for the United States to enter into an alliance with Great Britain unless Germany be included. There is every sentimental reason against it. If Great Britain is our motherland, Germany, as has been already said, is the motherland of our motherland; and when the Americans consent to dwell under the same diplomatic roof with the mother who has chastised them, they are not going to allow the grandmother, who has always taken their part, to be left out in the cold. Interest, sentiment and duty to the world alike require the three countries to come together before any two of them can do so; and the Britons will do well to heed the views and feeling of a very large part of the American people on this subject, lay aside their imagined grievances against the Germans, their natural friends, and cease coquetting with the Romanic peoples, who, if ethnical, social and moral opposition breed enmity, may be called their natural enemies.

It must not be understood, however, that there is nothing in the way of a cordial alliance between the three great Teutonic countries except petty and passing jealousies and largely puerile animosities. There are two very stubborn matters of fact that present the most serious obstacles to such a consummation. I have reserved the discussion of these two matters for the end of this paper, because of their apparently almost insurmountable nature. They are the protective tariff of the United States, and the position and aspirations of Russia, both in Europe and in Asia.

I have no intention of dealing in this paper with the protective tariff as an economic principle, further than to say that it is not abstractly a right principle or a wrong principle, but a policy whose correctness or incorrectness depends upon the circumstances of each country at a given time. There is a time in the history of every state when the protective tariff is a natural, if not neces-

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sary, economic arrangement. When a state is in the period of national development; when it is shutting itself off largely from the world and working out its own political and industrial independence, then is the protective tariff natural and desirable, if not absolutely necessary. But after this period has passed, and the particular state has entered upon the next phase and period of its development, the phase of world intercourse and the period of colonial extension, then is the protective tariff an anachronism. It then stands squarely in the way of the accomplishment of the very purpose of purposes for which the state in this phase and period of its development exists, *viz.* world civilization; because the realization of this purpose requires the freest and fullest interchange of things and ideas between each world-state and the rest of the world. Every student of history understands that in the advance from one period to another in the life of a state, the laws, institutions and policies of a preceding period will, for a time, lap over into the succeeding period and create contradictions between the old forms and the new spirit and ideals — contradictions which are, at first, felt rather than seen, but which grow more and more clear in conscious thought until at last they come to be regarded, both at home and abroad, as intolerable abuses. Before this extreme relation is reached between the old and the new, the past and the ever changing present, it is the part of wise statesmanship to see to it that the old shall be transformed by the spirit of the new, so that the laws, institutions, and policies of the state shall keep pace with its ideals in the march of civilization. This is the supreme duty of the state to itself and to the world; and if it does not discharge this duty, it will arouse the world's sense of grievance against it. It is no proper excuse for a state to say that its own interests require the pursuit of an anachronous policy, and it is criminal braggadocio for it to say that it does not care for the feeling and opinion of the world. This is simply to ignore its world duty, for the sake of a particular welfare which, after all, is imaginary. Its true welfare will always go hand in hand with its world duty; and it will proceed upon the path of true progress with much less deviation and delay if it keep its eye upon the ultimate goal for the attainment of which it exists, than if it regard only that por-

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tion of the pathway lying just before it. If a state fails to discharge the great world duty of bringing its laws, institutions and policies into line with its own development and with the spirit of the age, it is an offender against the other states of the world; and if its delinquencies cause irritation and ill-feeling in its intercourse with other states, its proper conduct is not to create armies and navies with which to back up its offence, but to modify its laws, institutions and policies — not indeed so as to conform with the selfish interests of other states, but so as to discharge its own high duty to the civilization of the world. Now it does not require any great acumen to see that the persistent high-protective policy of the United States has, in the new period of our world activity, become offensive to the other civilized states of the world, and, in the light of the above principles which I have been endeavoring to expound, justly offensive. Our tariff stands in the way of a good understanding with any of these states. It tends to provoke them to retaliation, and that leads to hostility. It is an obstacle which the United States ought to remove. It is the duty of the United States to the world's civilization to remove it. And the United States cannot complain if displeasure is manifested at its delinquency in the discharge of this duty.

The other real obstacle to an intimate and permanent understanding between the three great Teutonic countries is the position of Russia, which constitutes a perpetual and fearful menace to Germany, Austria, and Sweden-Norway. No one of these states can with safety make any move which might bring down upon it this colossal power. With a population equal to that of all three of these states together, a population in constant unrest and restrained from bursting all political bonds only by an autocratic government which recognizes none of the limitations of conscience and right reason, this Slavic giant stands ready to strike down the Teutonic nations upon its western border at the first movement made by any one of them to escape from its influence and virtual control. It is difficult for the people of the United States to understand this situation. The friendly attitude of the Russian government during our own national struggle with secession and the freeing of the Russian serfs by an edict of the Czar, are the principal facts about Russia known in the

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United States, and these facts have created a favorable feeling on the part of the people of the Teutonic republic towards the Slavic empire. Americans do not generally know that this great Muscovite population, with its almost irresistible anarchic spirit and tendencies, is scarcely held in check by a quasi-Teutonic régime at St. Petersburg, to which the states of Western Europe must go in fear and trembling, seeking protection against inundation by Slavic invasion. They do not generally know that Russian friendship for the United States does not rest upon one single element of likeness or one single grain of sympathy between the peoples of the two countries, or upon one single parallel between the political and religious institutions of the two countries, but most largely upon hostility to England, Russia's natural enemy both in power and in civilization. And when they remember with admiration the emancipation of the Russian serfs, they forget that it is one of the oldest devices of royal autocratic politics for the crown to call the masses around itself for the purpose of overcoming the defiance of the nobility. The recent tyrannic proceedings of the Russian government against Finland and its people, depriving them of their historic autonomy and their traditional rights without the slightest preceding disloyalty on their part, has in some degree opened the eyes of the people of the United States to the terrible contradictions in morals, politics and general civilization which obtain between Russia and the civilized states of the world. If the United States has a natural enemy in political principle in the world, that enemy is Russia; and I venture to prophesy, although I know that prophecy is dangerous, that Russia will prove herself, in the next twenty-five years, almost as hostile to the United States as she is now to Great Britain. But the people of the United States have not yet become sufficiently conscious of the Slavic peril to Western civilization to really appreciate the situation of Germany, Austria and the Scandinavian states. A number of times during the last two centuries, half-Teutonic Czars have protected Prussia and Germany against destruction by Slavic Russia. But the power of Muscovite Russia is growing, and no one can say how long the Czar will be able to control the impulses of his Slavic subjects. For Germany, international intimacy with Russia is thus not only

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unnatural but unreliable; and yet Germany cannot escape from it, she cannot even show signs of a desire to escape from it, until something equally effective is found to take its place. The same is true of Austria and of Sweden-Norway. One of Austria's richest provinces, Galicia, and the lands of the Lower Danube, are constantly menaced; and it is the general testimony of intelligent travellers of recent years in Sweden-Norway that the gravest apprehension for the future has taken possession of the popular mind in view of the fate of Finland; and yet neither of these states dares to display its distrust or suffer its relations to Russia to become unfriendly. They must all remain quiescent, suffering their own internal political development to be held back by their enforced intimacy with the great despotism which is enthroned over the vast mass of anarchic elements which threatens to overwhelm them. They can do little for the world's civilization in such a situation, in fact they can scarcely maintain their own.

It is entirely evident from all this that Germany dares not make advances for alliance with Great Britain and the United States, much as she may desire it. It is for these two powers, which, chiefly by reasons of geography, stand in an independent position, to take the first step, and to make that step so decisive that the Teutonic states along the Russian border will be safe in accepting their advances. It is the United States above all which is in best position to take the initiative in such a movement. The Slavic peril does not threaten far-off America, while the lines of the British Empire in Asia are within striking distance of the Russian frontier. Moreover, the Americans feel a strong sympathy and maintain a warm friendship with their fellow Teutons on the European continent, while the English are showing their pique against German enterprise in manufacture and commerce by coquetting with the French and cultivating the friendship of the Italians.

As in the case of the protective tariff obstacle, so in the great Slavic obstacle, it is the United States upon which the transcendent duty falls of taking the first steps to bring the Teutons of the world together in the great work of world civilization. It is not only a duty, it is a glorious privilege, a magnificent oppor-

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tunity. The leadership in directing such a combination of reason, righteousness and power for the civilization of the world would be a divine appointment in a far higher and truer sense than was ever the tenure of pope, emperor, or king. It would be a mission fitted to rouse the patriotism, self-sacrifice and devoted service of every true man in whose mind and heart the spirit of Teutonic culture has found a resting place. It is to be devoutly hoped that this great country of ours will be able to rise to the occasion, and will allow no national nor even continental narrowness to hold it back from assuming its proper place, the place now fairly within its grasp, at the head of the column of nations in the march of universal progress. There is no danger to the United States in occupying this position. Russia is too far removed from us by land, and is too insignificant upon the sea, to give us any uneasiness. The Romanic states would soon find their own interests substantially in line with those of the great Teutonic combination, simply because its purposes, if realized, would create a world condition in which the true interests of every civilized state would be subserved and enlarged, and in which every uncivilized community would be directed and impelled toward the attainment of a civilized status. A harmony of operation, or a co-operation, between the great Teutonic powers would menace no interest of civilization anywhere. Barbarism has thrown, and probably will again throw, obstacles in the way of their advance; but it has been and will be good for barbarism, whether primitive or luxuriously effete, to be brought under their sway. The sense of justice and of right inherent in the Teutonic conscience has always gone and will always go hand in hand with the enterprising forceful spirit; and the hardness sometimes apparent in the sway of the Teuton would undoubtedly be modified by the co-operation of the three great branches of the Teutonic stock in the enterprises of civilization. In a word, nothing can be seen or apprehended as the natural result of such co-operation except peace, progress, and prosperity throughout the world.

JOHN W. BURGESS.

DECEMBER, 1903.

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OUR MOHAMMEDAN SUBJECTS.

AT the date of President Roosevelt's "amnesty" proclamation of July 4, 1902, the only inhabitants of the Philippine Islands who were in revolt, and to whom that proclamation did not apply, were the Moros. The President declared that the Moros had not yet "submitted to the authority of the United States." These are the people who were supposed to have been brought peaceably under American authority by the agreement made with the Sultan of Sulu in 1899. Hostilities between their chiefs and the forces of the United States began in the spring of 1902.

Some six weeks after the President's proclamation, on August 18, 1902, it was reported from Constantinople that "the non-execution by the Turkish government of agreements reached long ago on several questions affecting the interests of American citizens" had "led to somewhat strained relations between the United States Legation and the Porte"; and that Minister Leishman had informed the Porte that he would not discuss "other matters" until the terms of the settlements already agreed to had been carried out. On the same day it was cabled from Manila that the Moros in Mindanao were renewing their attacks upon the outposts and pack trains of the American column at Lake Lanao; that the commanders of the American forces in Mindanao had reported "that aggressive action against the Moros" was necessary; and that they asked "permission to move against Bacolod and other strongholds of the hostile Mohammedans." In addition, a press dispatch from Washington reported the approval by General Chaffee of these requests. For the Moros rejected all friendly overtures made to them by the commander of our forces, and renewed the attacks upon American soldiers which had been made from time to time since the preceding May. Neither the expeditions sent against the various sultans of the archipelago nor the continuous defeat that the Moros suffered at our hands seemed to have any effect in reconciling them to our rule; and

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though the vigorous measures taken by Captain Pershing were apparently crowned with success, the insurrection broke out again in 1903.

The New York *Times*, in a minor editorial of October 29, 1902, said:

> The Moros have no known grievances against the Americans. No attempts have been made to change their customs or to decrease their liberties, and the consideration shown them in these respects was so great as to excite the criticism even of the anti-imperialists. . . . There is something of a mystery in their present misbehavior, for they began well enough, and for a considerable period made no trouble for the few Americans sent among them. This hints at lack of tact somewhere, and the hint might be worth following up.

Now, in the same journal, in its issue of April 22, 1902, we read:

> The early "pacification" of Mindanao was at the time attributed to the skill of General Bates, our pioneer in the island. . . . There is no question about the efficient discharge by General Bates of the duties which fell to him. But the conciliatory manner in which he was met was probably as great a surprise to himself as to anybody else. It was to the skill with which an appeal was made to the Sultan of Turkey, in his character of the Mohammedan pope, and to the action which, through the Sheik ul Islam, he was induced to take, that we really owe the spirit of hospitality in which we were received.

And again, on May 6, 1902, an editorial refers to the "clever diplomacy through which the Sultan of Turkey was induced to interest himself in our behalf, to the extent of assuring his co-religionists in the Philippines that the United States did not share the proselytizing tendencies or methods of Spain."

It is a question — the whole situation in Turkey at that time being taken into account — whether the government of the United States is to be congratulated upon this way of attaining its object — upon the "skill with which an appeal was made to the Sultan," or upon the "clever diplomacy" through which he was "induced to interest himself in our behalf." The conditional agreement between the Sultan of Sulu (Jolo) and the United States was negotiated by our commander, General Bates, during the summer

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of 1899.[1] The principal features of this agreement were as follows: American sovereignty over the Moros to be recognized; no persecution on account of religion to be allowed; the United States to occupy and control such parts of the archipelago as public interest should demand; all persons to have the right to "purchase land with the sultan's consent"; the introduction of firearms to be prohibited; piracy to be suppressed; the American courts to have jurisdiction except as between the Moros; and the sultan's subsidy from Spain to be continued.

The fact that President McKinley, in his message at the opening of the first session of the Fifty-sixth Congress (December, 1899), in referring quite at length to Turkey, made no mention of the Philippines or of the "friendly offices" of the Turkish Sultan, might seem remarkable were it not for the fact that the agreement with the Sultan of Sulu was not submitted to the Senate until December 18. What is really remarkable, however, is that we should have availed ourselves of the interposition of the "Mohammedan pope," at a moment when our relations with the Sublime Porte were so unsatisfactory. It was only fifteen days later that our minister at Constantinople, Mr. Oscar Straus, left that city, *en route* for Washington, "for consultation" with the United States government as to the state of affairs in Turkey; and as late as June 18 of the following year, he was still "on leave," apparently delaying his return to his post until satisfaction should have been given to our demands. Mr. Straus, in fact, remained away until his successor, Mr. Leishman, was appointed.

In his message of December, 1899, President McKinley said:

> In the Turkish Empire the situation of our citizens remains unsatisfactory. Our efforts during nearly forty years to bring about a convention of naturalization seem to be on the brink of final failure through the announced policy of the Ottoman Porte to refuse recognition of the alien status of native Turkish subjects naturalized abroad since 1867.

Our statutes, the President added, do not allow our government "to admit any distinction between the treatment of native and

[1] The agreement was signed August 10, but was not submitted to the United States Senate until the following December, its text being made public December 18.

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naturalized Americans abroad." This causes "ceaseless controversy" in cases where "persons owing in the eye of international law a dual allegiance are prevented from entering Turkey or are expelled after entrance." "Our law, in this regard," the President mildly remarked, "contrasts with that of the European States"; the British, for example, not claiming "effect for the naturalization of an alien in the event of his return to his native country, unless the change be recognized by the law of that country or stipulated by treaty between it and the naturalizing state." Other questions pending at the time were those as to extra-territorial jurisdiction in Turkey, claimed by the United States government under the treaty made in 1830; claims for property of American missionaries at Harput, Asia Minor, destroyed at the time of the Armenian massacre in 1895; and a claim for indemnity for the murder of Frank Lenz, on the Turkish frontier, in 1894.

During the summer preceding this message of the President, the efforts of our envoy, Mr. Straus, to secure an interview with the Sultan, at which the settlement of these various claims could be urged upon him, had been unremitting. The difficulties which he encountered were not flattering to our national pride. From a perusal of the volume of *Foreign Relations* for that year, it will be seen that, for a considerable time, Mr. Straus's efforts remained without result. After much shuffling and delay, the Sultan sent word through his chamberlain that a day would be appointed for an audience; that his object had been to arrange the matter of claims in advance, in order that the interview might be pleasant; and that, with this object in view, he had directed the minister for foreign affairs "to reply to Mr. Straus, so that at the audience the question of claims need not be brought up." When at last — but not before September 22 — Mr. Straus was received in audience by the Sultan, the latter, in the course of the interview, referred to the *iradé* for the purchase of a warship, saying that with the making of the contract the American claims would be "wiped out," "and that he would request me not to discuss with him this matter further, as it is arranged for." This strong hint from the Sultan apparently had its effect:

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I did not directly go further into the subject [Mr. Straus continues] but asked what answer I should give my government as to when these claims would be "wiped out," and when the *iradé* for the rebuilding of the Harput school buildings would be given. He replied, "as soon as the contract for the ship was concluded, which would be done shortly, just as the minister for foreign affairs had stated to me."

Mr. Straus was also told by the Sultan that

immediately following my audience with him . . . he telegraphed to Mecca, it being the time of the annual pilgrimage, his wishes that the Moslems in the Philippines should not war with the Americans, nor side with the insurgents, but should be friendly with our army, and that, as I assured him, the Americans would not interfere with their religion and would be as tolerant toward them as he was toward the Christians in his empire. . . . He added that there was at Mecca, at the time he sent that message, quite a number of pilgrims from the Pacific islands, and especially their most prominent general and several other officers, and shortly thereafter they returned to their homes. That he was glad that there had been no conflict between our army and the Moslems, and that he certainly hoped their religion would in no manner be interfered with.

Mr. Straus replied that of this the Sultan could certainly feel satisfied; that religious liberty was the chief cornerstone of our political institutions.

According to the Mohammedan religion and the injunctions of the Koran, the annual pilgrimage to Mecca, here referred to, must be made at the appointed season, which is during the months *Shawwal* and *Dulkaada* and the first ten days of the month *Dulheggia;* and this period, during the year 1899, began February 12 and ended April 21. As the evacuation of the Sulu group by the Spanish forces was accomplished on May 19, and the return of General Bates from Sulu, "after having successfully accomplished his mission there," occurred in August, the connection is not difficult to perceive: the path had been smoothed for us through the kind offices of the Turkish Sultan.

With regard to the final payment of our claims, then outstanding, Mr. Straus suggested, in his communications to the Department of State, "tactful pressure"; and he deprecated any show

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of force, as being undesirable. Three months later, despite all that had been promised, and despite — or perhaps in consequence of — the complaisance shown by our government, the American demands were still unsatisfied; and, in a note to Tewfik Pasha, dated December 16, 1899, Mr. Straus writes: "Our interpreter was officially informed by the Sublime Porte [apropos of the Harput outrages] that his Majesty would not consent to the rebuilding, as the American missionaries were the cause of the Armenian troubles." And, in a dispatch to the American secretary of state, four days later, he says that

> the belief, held to for some years, that our missionaries were at the bottom of the Armenian troubles, or at any rate indirectly connected with the unrest that brought about the troubles, has rendered my task an exceptionally difficult one. I have again and again argued the matter to disabuse the Sultan's mind of this belief; I have again and again cautioned the missionaries to guard against giving color to this suspicion; and I have perhaps not argued in vain, as the Sultan's secretary and the grand vizier have shifted their ground, and now say they do not claim the American-born missionaries are guilty of hostility, nor that our government would permit them to act in a spirit of hostility to Turkey, but that our missionaries have in their employ many Armenian teachers who plot against Turkey.

It was at this point in the negotiations that Mr. Straus left Constantinople; and at the end of the year 1900, he was still in America. In December, 1900, Mr. Griscom, chargé d'affaires, cabled a request that arrangements be made for the battleship "Kentucky" (then in Turkish waters) to remain a little longer, in order that any impression of hostility occasioned by its presence might be removed. The "Kentucky" having been ordered by the Navy Department to remain, Mr. Griscom wrote that on December 10 he had attended a dinner at Yildiz Palace, accompanied by Captain Chester of the "Kentucky" and his staff; that he presented these gentlemen to His Majesty in audience before the dinner, and that after it Captain Chester and he were received in a "long private audience." Mr. Griscom says that there was no mention, during this conversation, of the diplomatic affairs then pending between Turkey and the United States, except that

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the Sultan said he had purchased a cruiser from the Messrs. Cramp, of Philadelphia.

> It was apparent that he regarded our questions as absolutely settled, and his evident desire was to convey this impression without using any direct expressions. . . . The dinner was a very direct compliment to the United States, as no other foreigners were invited, and necessarily I was placed at His Majesty's left hand, and at his right hand was the grand vizier and then Captain Chester.

It is plain that the Sultan, besides knowing how to make meaningless promises, thoroughly understands the art of entertaining; and that our representative — as has happened before under similar circumstances — did not prove insensible to the influence of attentions the more *empressés* in that they were, on this occasion, largely due to the presence of one of our most powerful warships. Yet can it be held that the tone adopted by the Sultan both toward Mr. Straus in September, 1899, and toward Mr. Griscom in December, 1900 — being virtually a warning not to touch upon certain disagreeable subjects — is one that could safely be taken where the envoys of other great powers were concerned? Is it to be inferred — taking also into account the fact that we send only a minister plenipotentiary, and not an ambassador, to represent us at Constantinople — that we are not yet, in the eyes of the Sultan and his ministers, a nation of the first importance; that we are still, in ever so slight a degree, *une quantité négligeable?*

In obedience to instructions received, during the winter of 1900–1901, from the Department of State, urgent representations were made to the Turkish government; and owing to these, and, possibly, to a wholesome fear of another and more positive naval "demonstration" on our part, Mr. Leishman (who in the meantime had succeeded Mr. Straus) was enabled, on June 12, 1901, to announce, in a telegram, that our claims had been settled; that the sum of nineteen thousand pounds sterling had been deposited to his credit in the Imperial Ottoman Bank; and that this sum was held subject to instructions from the department. The sending of the warship and the intimation of further measures in case of contumacy had borne fruit, as with France a few months later.

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The Porte's *non possumus* gave way, as it always does, to the only argument it recognizes, that of *force majeure* — under silent protest, no doubt. But this very fact, that the Turkish government was obliged to yield, where it was felt, rightly or wrongly, that we were under obligations to the head of Islam, may partly account for developments during the summer of 1902. Thus, we find complaints made to the State Department, during the month of August, of "friction" between our minister and the grand vizier (the personal representative of the Sultan), who by his action in declining, on four successive occasions, to receive Mr. Leishman when he called to adjust certain existing difficulties, had rendered inoperative the orders previously issued for their settlement by Tewfik Pasha, minister for foreign affairs.

The principal difficulties here referred to were: obstacles thrown in the way of one of the great American insurance companies, as a result of which its agents were hampered in the transaction of their business in the Turkish dominions; the failure to surrender policies of the same company which had been seized by the Turkish authorities; the question of the emigration of the wives and minor children of naturalized American citizens who were of Ottoman origin; stopping the completion of American mission buildings at Harput, for which official permits had been granted — all of which "the minister for foreign affairs notified Mr. Leishman had been settled, and orders issued putting them into execution." Besides these, there were, from time to time, cases of the non-recognition by the Imperial Ottoman government of claims to American citizenship, made by natives of the Turkish Empire returning there after being naturalized in America. These were the "strained relations" referred to at the beginning of this article as being coincident with the renewal of attacks by the Moros upon our forces stationed in Mindanao.

The favorable action taken by the minister for foreign affairs, on subjects under discussion, having thus been countermanded or annulled by the grand vizier — who, in repeatedly declining to see Mr. Leishman, had refused "a courtesy which is always extended to even the dragomans of the embassies" — Mr. Leishman finally demanded of the Turkish pasha an audience with the Sultan, and requested him, at the same time, to make known to

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His Majesty the nature of the business. He also requested of our State Department that "unless the audience with the Sultan were granted, and not only the questions at issue but the principles involved in them satisfactorily settled, he be given permission to demand his passports." As a result, the Sultan, on August 11, gave expression, through his private secretary, to a wish that Mr. Leishman would overlook the discourtesy shown him, on the ground that the grand vizier was "an old man and not feeling well," and call on him on the following day. Mr. Leishman was at first inclined to refuse positively to comply with this request "on the ground that, although such a course might perhaps result in the settlement of some of the immediate questions at issue, it would, under present conditions, neither be compatible with the dignity of the government of the United States, nor settle the important principles involved"; but, upon a suggestion from the department, he cabled, August 21, that, since "His Imperial Majesty had sent the most emphatic instructions to the grand vizier to receive Mr. Leishman at all times in a manner befitting the dignity of the representative of a great power," he had consented to resume ordinary relations. Nevertheless, he regrets that, having been forced to assume a strong position, "the settlement was not based upon broader principles," but states that "the action taken will undoubtedly have a good effect."

It may be said, in passing, that our representatives abroad are possibly in a better position than the Department of State to judge of the amount and quality of courtesy and consideration shown them by foreign governments, and the consequent effect upon the people among whom they are sojourning; certainly in a better position than the mass of our own people, who are apt to regard as of little account the unpleasant predicaments in which our ministers and consuls sometimes find themselves. The American public takes it for granted that, in the long run, we shall get what we want; that "our money will talk," even if the dignity of the Republic suffers in the mean time.

A dispatch from Vienna to the London *Times*, which was cabled to the New York *Times* and appeared in its issue of September 5, 1901, says, apropos of the French government's action in its dispute with Turkey: "Powers having Mohammedan sub-

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jects are pleased with the vigorous course France has taken. They believe that the rupture of diplomatic relations between France and Turkey will serve as a warning." Now Professor Vambery,[1] alluding to "the attitude assumed by the Liberal ministry against Turkey," asserts that Turkey is the "only power in the world which can be of great service to England's standing in Asia," and that "cordial relations" with this power "offer the best safeguard to English power in Mohammedan India." It is undoubtedly desirable that the United States, like other powers having Mohammedan subjects, should be able to count upon the Sultan's influence for good with his co-religionists, and it was particularly desirable that we should be "received in a spirit of hospitality" by the Moros and be able to avoid "any trouble whatever in the southern island"; but after having secured this influence, it is at least awkward to be obliged to bring pressure to bear upon the Sultan, and to resort finally to a show of force in order to obtain satisfaction.

As regards the probability of the assimilation of our new colonials in the island of Mindanao and the Sulu archipelago, Professor Vambery, in speaking of the "gigantic work" of the "British civilizers," and in referring to the chances of an Indian uprising, says that

> of the two chief elements in India, the Brahminic and the Moslem, the former offers less resistance and proves much more amenable to civilizing influences than the Mohammedan. In spite of the merciless rigor of the system of castes and the ritualistic laws, according to which no Vishnu-worshipper is permitted to come into direct contact with a Christian, or even to allow the shadow of one to fall upon him, the number of Hindostanees of Brahminic faith educated in English schools and employed in the British service by far exceeds the number of Moslem Hindoos similarly educated and employed. . . . Let us own it frankly. Islam has manifested this feature in its struggle with Occidental culture, in all the continent alike, throughout the whole length and breadth of its extent. . . . It is, and remains, the old and incorrigible representative of Asiatic fanaticism, which will enter into no compromises with the modern march of the world.

[1] The Coming Struggle for India, p. 139. See also pp. 140, 141.

[2] *Ibid.*, pp. 151–153.

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And Mrs. Stanley Lane-Poole,[1] an experienced observer of Turkish customs and character, says:

> The Koran has no conception of the possibility of Christian subjects enjoying the same rights as their Moslem neighbors. No judge, therefore, likes to go against this spirit; and no good Mohammedan can ever bring himself to a level with a caste marked by his Prophet with the brand of inferiority.

And, in so far as the influence of the Sheikh ul Islam, the ultimate judicial authority of the Empire, over his co-religionists in the Philippines is in question, she writes, speaking in general terms, that this influence is

> great, and powerful for good or harm to the nation, according to his character, and the amount of justice and humanity he may display in his capacity of head of Islam and supreme judge. This influence, however, being strictly Mohammedan and based on religious dogmas, cannot be expected to carry with it that spirit of tolerance and liberality which a well-regulated government must possess in all branches of the administrative and executive power.

During the past year our forces in the Sulu archipelago were kept more or less actively occupied. And notwithstanding it was reported from Manila, during the early part of September, that the Legislative Council for the Moro province had been organized in accordance with the bill enacted by the Philippine commission for the government of the Moros, and that, in consequence, the province would now be within the jurisdiction of the Philippine courts and constabulary, it appears that General Leonard Wood reported a "feeling of unrest among the native inhabitants of Moro province," that upon his request an additional battery had been dispatched from Manila to strengthen the forces under his command; that there had been fighting in the province of Cavité; and that the insurgent Moros had "taken up a strong position in the mountains which flank Laguna de Bay."

When it is remembered that just about that time our war vessels were sent to Beirut, in order to protect our officials and other

[1] Twenty years in Turkey, p. 67.

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American residents from the after-effects of an assassination which had not taken place; that the Turkish government has since protested against their presence; and that news travels fast and far in Eastern countries; it may not be mere surmise that there is a close connection between this circumstance and the reported "feeling of unrest" among the Moros. In any case it is probable that until the Near Eastern question is settled — and possibly even after it has been settled — there will be, as it were, seismic disturbances and upheavals among our Mohammedan subjects, concurrent in point of time with seasons of "friction" and "strained relations" between the United States and the Porte. It is clear that our motto in dealing with the Turk might with advantage be "*gant de soie, main de fer*"; that the silk glove should be of the finest quality; and that, as a first move in the right direction, we should raise our legation to the rank of an embassy.

EDMUND ARTHUR DODGE.

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SOME ASPECTS OF THE IMMIGRATION PROBLEM.

DURING the fiscal year ending June 30, 1903, the volume of immigration broke all previous records, 857,046 immigrants arriving in the United States. This fact has quickened the interest in the immigration problem and has made the desirability of restrictive measures again a question of the hour. Popular interest in the question rises and wanes with every rise and ebb of the tide of immigration; and the volume of immigration is subject to marked fluctuations, as may best be shown by a study of the figures from year to year. Without reproducing all of the facts, either in tabular or graphic form,[1] we may roughly describe the movement. In 1842,[2] the number of immigrants first passed the mark of 100,000 (104,565). It then increased until in 1854 it was 427,833. Dropping suddenly in the following year, it continued to diminish gradually until in 1862 it was only 72,183. With the close of the Civil War it rose considerably until in 1873, with 459,803, it exceeded the former maximum. A sharp decline followed, reaching the lowest point in 1878 — 138,469. In 1882, however, the extraordinary figure of 788,992 was reached, but the number sank again to 334,203 in 1886. From this there was some recovery, noticeably in 1888 and 1891, the latter year showing 560,319. The number then sank to 229,299 in 1898, followed by the present upward movement, culminating in the figures already cited for the year 1903.

This fluctuation seems to explain our failure to adopt drastic restrictive measures. After every notable increase in the number of immigrants such measures have been proposed; but reluctance to break with what are held to be time-honored traditions has in each instance delayed legislation until, with a decreasing number

[1] See the tables and charts in the Report of the Commissioner General of Immigration for the fiscal years ending June 30, 1902 and 1903.

[2] The years here referred to are fiscal years, as they appear in the familiar tables. In 1842 the year ended December 31. Beginning with 1844 it ended September 30, while with 1858 the present system of fiscal years ending June 30 begins. In the text the fractional parts of years in which the changes were made have been disregarded.

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of immigrants, the necessity for it has seemed to disappear. The question presents itself not so much as a cure of present evils, but as a prevention of future ills; and as the prospect of future embarrassments seems to diminish, the question loses its interest.

Whether the present swelling tide of immigration will continue long enough for the advocates of restriction to win the day, or whether it will soon reach its culmination and public interest will again lapse, no one can foretell. But the moment is opportune for a discussion of any aspects of immigration that may throw light upon the question whether restrictive measures are of vital interest to the welfare of the nation.

Those who advocate greater restriction than has as yet been imposed by the laws of the United States, justify their proposals by pointing out that immigration is not only increasing in quantity but deteriorating in quality. Not only do we add an increasing number of foreigners to our population, but these additions are on the whole less desirable than those of former years. The two propositions may be separately considered.

In the face of the familiar figures it may seem preposterous to question that the additions to our population are greater than formerly. Yet any record for a half a century which ignores the country's growth is at best only a partial presentation of the facts. No one will be disposed to affirm that the immigration of 310,004 persons in 1850 was of no greater consequence than the immigration of 311,715 persons in 1899. It is desirable therefore, to compare the immigration into the United States with the population, as in the following table:

Decade	Population at Beginning of Decade	Total Number of Immigrants	Number per 1000 of Initial Population
1821–1830	9,633,822	143,439	15
1831–1840	12,866,020	599,125	47
1841–1850	17,069,453	1,713,251	100
1851–1860	23,191,876	2,598,224	110
1861–1870	31,443,321	2,314,824	73
1871–1880	38,558,371	2,812,191	73
1881–1890	50,155,783	5,246,613	104
1891–1900	62,622,250	3,687,564	59

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To establish a numerical relation with the population, the final column presents the number of immigrants per 1,000 population at the beginning of each decade. The absolute figures show little change in the period 1851–80, but the figures for the following ten years are nearly double those of any previous decade. Despite this great increase in 1881–90, the *relative* immigration, calculated as indicated, is not so high as in the decade 1851–60, and is but slightly superior to that in 1841–50. Our table of necessity stops with the decade 1891–1900, when there was some falling off in the number of immigrants, and consequently a marked decline in their relative number. But we are confronted by the maximum immigration of our history in the year 1903, and it may well be that the present decade will tell another story. It may, however, be pointed out that, as the United States had, in 1900, a population of 76,303,387 persons, an immigration in the ten years 1901–1910 that should be relatively equal to that of the maximum period 1851–60 would imply a total immigration of 8,393,362 persons, which would require for the remainder of the decade 1901–1910 an average of 914,236, a figure higher than has yet been reached in any year. Past experience, which teaches us that immigration moves in waves, makes it improbable that such a figure as this will be attained.

This line of reasoning implies that each immigrant counted by the authorities is an addition to our population. Is this the case? If not, what contribution to our population does immigration actually make? Does this contribution hold the same proportion to the total number of immigrants to-day as formerly? The answers to these questions should throw some light upon the proposition commonly advanced by the advocates of restrictive measures, that immigration is adding an increasing number of foreign elements to our population.

Between 1890 and 1900 the foreign born in the United States increased from 9,308,104 to 10,460,085, or by 1,151,981, while in the same period the number of immigrants was 3,687,564. It should be remembered, moreover, that the foreign born include two nationalities, Canadian and Mexican, not enumerated in the immigration returns. Deducting 225,874, the increase of these two nationalities, we find that 3,687,564 immigrants during the

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decade produced an increase of only 926,107 in the corresponding foreign born population. This enormous discrepancy stands in need of explanation. No complete explanation which shall account definitely for every one of these immigrants can be given, but many factors in the case can be approximately estimated.

The first consideration which suggests itself is the loss by death not only among the immigrants, but among the foreign-born population. The surviving immigrants in the year 1900 must replace in the census enumeration some of the foreign born enumerated in 1890 who had died before the following enumeration in 1900. On this point the census of 1900 gives some testimony, since we learn that, among the foreign born then enumerated, 2,609,173 had arrived after 1890. This puts the problem more definitely. 3,687,564 immigrants arriving in the decade 1891–1900, plus an undetermined number of Canadians and Mexicans arriving in the same period, were represented at the close of the decade by 2,609,173 persons. Details are not available to show how many of the latter were Canadians and Mexicans. In the aggregate, the number of new arrivals accounted for by the census is somewhat more than double the increase of the foreign born; it is, therefore, safe to assume that of the 2,609,173 new arrivals, at least 450,000 belonged to these nationalities. Having introduced an estimate in our calculation, we may abandon precise figures which would be misleading. Our immigrants of 1891–1900 are represented in 1900 by approximately 2,160,000 persons, and our problem is to account for the 1,530,000 immigrants who have apparently disappeared.

We have as yet made no allowance for the mortality of the immigrants themselves, nor have we exact data upon which to make such an estimate. The death rate among the foreign born in Massachusetts is on the average about 17 per thousand. As the foreign born contain a larger percentage of aged persons than the immigrants, it is probably safe to assume for the latter a death rate of about 15 per thousand. Disregarding fractions of years, the contingent arriving in 1891 had been in the United States, in 1900, nine complete years, and each subsequent contingent, up to the tenth, one less number of years. The tenth con-

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tingent, with a residence of less than one year, may be disregarded. In estimating the survivors in 1900, the correct method, if the supposed death rate of 15 per thousand is assumed to persist, would be to take the contingent of 1891, for example, calculate the deaths for the first year, then those of the survivors in the second year and so on until 1900 was reached. This method would give us 71,452 deaths and 488,867 survivors. If, on the other hand, we assume in each year the same number of deaths as in the first, 8,405, and multiply by nine, we obtain 75,645 deaths and 484,674 survivors. Of course this more summary method implies an increasing death rate. In the illustration, it rises from 15 per thousand in the first to 17 per thousand in the ninth year. Since with the advancing age of the population such an increasing death rate is to be expected rather than a stationary rate, we may adopt the more summary method in calculating the survivors in 1900 of the immigrants of the nine years 1891–1899. Making our calculation for each year's immigrants on this basis, we find the probable number of deaths to be 268,015.

But as we were searching for 1,530,000 immigrants who had apparently disappeared, we have still to account for 1,260,000 persons recorded in the immigration statistics. This remainder probably consists of two classes: first, persons who had been in the United States before, who had visited their old homes and who then returned to the United States; second, persons who came to the United States as immigrants and who departed from the United States before the census enumeration. Among the first class of persons are doubtless many who first arrived in the United States before 1890, and who therefore figure in the census enumeration at the date of first arrival, while they figure as arrivals in the immigration figures of the decade 1891–1900. Others arrived after 1890, went back to Europe, and returned to the United States again before the enumeration of 1900. Such persons figure in the census enumeration but once, while in the immigration figures they appear twice or even more frequently. This fact is of more importance than is generally recognized. At the port of New York, where the great majority of the immigrants land, a record was made in 1896 of the number who had been previously in the United States; and, beginning with the

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following year, the record was extended to the entire body of immigrants. During the period of observation, 1896–1900, 235,908 immigrants were recorded who had been in the United States before, or 15.9 per cent of all the cases observed. If the same proportion holds true for the entire decade, there were 586,223 immigrants who had been in the United States previously. This double counting therefore accounts for a large share of those whose whereabouts we are seeking to discover and leaves only about an equal number, 670,000, not yet accounted for.

This final remainder of somewhat over half a million persons may, I believe, be assigned to the class of temporary visitors who, after a longer or shorter stay in the United States, returned to the land of their birth within the decade 1891–1900. Popular phraseology designates this class of immigrants as birds of passage. That this class is large among recent immigrants is generally believed, but I am aware of no previous effort to measure even approximately its magnitude.

The significance of the return movement should not be overlooked. The cheap transportation which makes immigration easy facilitates the return of those who have failed to find their expectations realized, as well as of those who have amassed what they deem a competence which they take with them to enjoy in their native lands. We have no direct statistics of returning immigrants, but we have some interesting facts as to outgoing steerage passengers. The probabilities are that a very small fraction of such passengers are native born Americans. Our native citizens whose economic condition is such as to debar them from travel as cabin passengers have no motive or incentive to take them to Europe. If there is, however, a small contingent of native citizens among the outgoing steerage passengers, it is more than counterbalanced by the number of cabin passengers who originally came to this country as immigrants. The number of outgoing steerage passengers in the decade 1891–1900, exclusive of 1896 and 1897, for which no figures are available, was 1,229,909. Since 1895 showed 216,665 and 1898, 130,857, we are probably within the mark in estimating 300,000 for he two years, 1896 and 1897, or a total for the decade of 1,529,909. As the total number of immigrants for the decade was

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3,844,420, we should have, after deducting these returns, a net immigration of 2,314,511. We have already estimated that the immigrants of 1891–1900 were represented in the population by approximately 2,160,000 persons, and that the probable number of deaths among immigrants was 268,015. It cannot escape attention how closely the sum of these figures resembles the net immigration just calculated.

If the foregoing analysis be correct, the immigrants of the decade 1891 to 1900 can be accounted for approximately as follows:

Temporary sojourners	670,000
Counted twice by immigration authorities	590,000
Died before the census of 1900	270,000
Made good losses by death among the older foreign born population	1,230,000
Absolute increase of foreign born population	930,000
Total immigration recorded, 1891–1900	3,690,000

In the light of the facts just considered we must ask: Does net immigration bear the same relation to gross immigration as formerly? It is clear that in estimating the force of the immigration movement we must take the gross figures with considerable allowance. General considerations, such as the greater ease and cheapness of transportation, make it seem highly probable that temporary sojourners and those who were counted twice were much less numerous in former years, so that the effective immigration represented by the figures was relatively larger then than now. Figures for a minute statistical analysis for earlier years are lacking, but the following table is suggestive:

CENSUS INTERVAL	INCREASE OF FOREIGN BORN	IMMIGRANTS	PROPORTION OF INCREASE OF FOREIGN BORN TO NUMBER OF IMMIGRANTS, PER CENT
1850 to 1860	1,894,095	2,598,214	72.9
1860 to 1870	1,428,522	2,314,824	61.7
1870 to 1880	1,112,714	2,812,191	39.5
1880 to 1890	2,628,161	5,246,613	50.0
1890 to 1900	1,151,981	3,687,564	31.2

It appears that the increase of foreign born population was a less percentage of the recorded immigration at the last census in-

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terval than at any preceding. This is the more marked as it follows the large immigration of 1880–90. Our previous analysis showed that in the last census interval one of the largest portions of the recorded immigration was that which made good the losses by deaths among the older foreign born population. The greater the average age of the foreign born population, the larger would this portion be. With comparatively stationary immigration between 1850 and 1880, it is probable that the foreign born population enumerated in 1870 required more immigrants to make good its losses by death than at any other time. If such were the case, it would account for the relatively small additions made by the immigration of the decade 1870 to 1880. It would then follow that the immigration which adds nothing to the number of the foreign born is relatively larger now than formerly.

We have thus far addressed ourselves to the quantitative aspects of the immigration problem, and have demonstrated that from the standpoint of population it is not a greater problem than it was fifty years ago. Not only does the gross immigration form a smaller percentage of our population, but the effective contribution is a smaller proportion of the recorded number of immigrants.

It is the misfortune of the statistical method that it can only partially illumine the relations which it investigates, and that some of the most important factors in the problem elude numerical measurement. An estimate of the significance of the number of immigrants has in view relations between them and the agencies of assimilation and the extent of economic opportunity. The growth of our population is obviously a factor in the problem of assimilation. But numbers unrelated to economic opportunity are by no means the sole consideration. The gradual diminution of the public domain, with its lessening of the economic opportunities in agriculture, has been brought into relation with this problem. Had we reached a situation of overcrowding, the addition of a few thousand to our population, no matter how vast its size, might be deemed a hardship. That we have reached any such condition few would affirm. The experience of the past century, with its amazing growth of population, was a complete refutation of the principle, announced with so much emphasis in

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the early part of the century, that an increase in population would add only to the misery of mankind. Without asserting that our country can always absorb a large immigration, I think we may safely affirm that, considered in its mass only, the immigration of today is no menace to our welfare.

But it may be urged that any study of modern immigration which takes no notice of its character is incomplete, for the feeling is widespread that it is less desirable than formerly. It is well known that the centers of emigration are shifting from northern and western Europe to the southern and eastern areas. The facts may be epitomized in the proportion of the total immigration which is borne by the natives of Italy, Austria, Hungary, Poland[1] and Russia. It was:

1851–1860	0.4 per cent	1901	68.6 per cent
1871–1880	8.1 "	1902	70.5 "
1881–1890	19.4 "	1903	66.8 "
1891–1900	49.3 "		

In consequence of this rapid augmentation of these groups their share in the total foreign born population increased from 8.9 per cent in 1890 to 18.1 per cent in 1900. This proportion would doubtless be larger were it not for the fact that these nations probably contribute in larger measure to the excess of the immigration figures over the census figures previously analyzed than do the northern nations. While it is difficult to fix this point exactly, it is at least significant that, while 592,907 natives of Austria-Hungary are reported as arriving between 1891 and 1900, only 422,051 were enumerated among the foreign born in the latter year. The case of the Italians is quite as striking, since despite 651,899 arrivals in the previous decade, only 484,207 were found in the United States in 1900. In the case of Russia and Poland there is some confusion of nationality and race which cannot be unravelled. The immigration authorities have recognized the partition of Poland and have placed the Poles under the nations which actually rule them. The census authorities recog-

[1] In recent years arrivals from Poland have been classed with the countries to which they belong. The figures beginning with the decade 1891-1900 lack some Poles of German nationality who would have been included had the method of enumeration been uniform throughout.

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nize the category Poland, though they distinguish between its Russian, Austrian and German divisions. There were in 1900 altogether 807,606 persons ascribed by the census to Russia and Poland, or 598,871 persons after omitting the Poles claiming Austrian or German citizenship. The immigration from Russia in the decade 1891–1900 was 505,291, but this does not include Russian Poles in the first three years. Estimating the number of these, the immigration from Russia was probably about 445,000 persons. This immigration consists practically of two races, Hebrews and Poles, for the Russians proper are few in number.

Some further indications as to races which contribute to what may be termed the temporary as distinguished from the permanent immigration can be found in measuring the extent of family immigration. This will be indicated roughly by the number of women and children included in it, as shown in the following table for the year 1903:

Race	Contribution to Total Immigration, per cent	Percentage among Immigrants of Each Race, of	
		Females	Children under 14 Years
English, Welsh, and Scotch	4.2	38.7	15.5
Irish	4.1	54.4	5.2
German	8.4	39.2	18.8
Scandinavian	9.3	35.4	10.6
Italian	27.2	18.9	10.7
Polish	9.6	28.4	9.4
Croatian and Slovenian	3.8	11.2	3.4
Slovak	4.0	29.2	9.6
Hebrew	8.9	42.3	25.0
Total Immigration	. .	28.5	12.0

N.B. These races comprise 79.5 per cent of the total immigration.

The low percentage of women and children among the races of Southern and Eastern Europe, except the Hebrews, is obvious at a glance. It indicates a great predominance of the adult male, either unattached or leaving his family ties behind him, in this newer immigration. This is a characteristic of "pioneer" immigration as well as of "temporary" immigration, and how far these persons represent the first arrivals of a long series from these particular regions and how far they represent temporary sojourners cannot be determined. But it is, I think, clear that the increase

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in the purely temporary immigration has gone along hand in hand with the shifting of the emigration centers.

The temporary immigration is much to be deplored, since it introduces into the body politic a class of people not only alien in fact but determined to remain so, wholly indifferent to their adaptation to the conditions of life by which they find themselves surrounded. To put it in another form, we have here a class eager to profit by our standard of wages but unwilling to adopt our standard of expenditure. Just how far the standard of life is a result of wages and just how far it is a factor in determining them cannot be discussed at this point. That it is to some degree a factor in determining wages is generally conceded, and the introduction and maintenance of a lower standard must result in injury to the working classes when it embraces a number of persons large enough to be a factor in the labor market. Hence, there is little doubt that temporary immigration is undesirable, and so far as this element is concerned there can be no question that the newer immigration is less desirable than that of former years.

The problem of the permanent immigration is the probability of assimilation to the conditions, standards and ideals of American life. It rests, therefore, upon the willingness and capacity of the immigrant to adapt himself to new conditions. General evidence of this willingness and capacity can be stated only in the vaguest terms; and it is to be regretted that, so far as there are any statistical indications upon these points, they must of necessity embrace all the foreign born, as the census cannot distinguish between those who have settled in the United States as their home and those whose sojourn here is for a time only.

Much attention has been given to the aggregation of the foreign born in cities; and there is a tendency to find in this fact a symptom of the unwillingness of the immigrant to discard his foreign habits, and of a desire on his part to build up settlements of his own nationality, where he can, at least in some degree, continue his old life. The fact is uncontested;[1] but the inference is a forced explanation of a perfectly natural and comprehensible

[1] In the principal cities of the nation (the 161 cities having over 25,000 inhabitants) the foreign born constitute 26.1 per cent of the population, while in the remainder of the country they form but 9.4 per cent of the population.

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tendency. Population follows the opportunities for employment, and these have the most attractive force for the more mobile elements. The fact of city growth cannot be ignored in connection with the tendency of the foreign born to the cities. Between 1890 and 1900 the increase of the population was thus distributed:

	Number	Per cent
Urban communities	7,642,817	58.3
Semi-urban communities	2,036,205	15.5
Rural	3,431,850	26.2
Total	13,110,872	100.0

Cities have in recent years offered more attractive labor opportunities than the rural regions, and people have streamed into them from the country districts as well as from foreign lands. That the foreign born element, being without local ties, should have contributed to the growth of cities in larger measure than the native-born citizens is perfectly natural. Of course it would be one-sided to overlook the consideration that immigrants flock to the cities because others of their own race are there. The contact with their own people is not wholly a matter of choice, it is a vital necessity upon their first entrance into a new world. They need interpreters and go-betweens in their relations with a people whose language is foreign to them. Of necessity they seek the people of their own race, and find employment either in the service of their fellow countrymen or through their agency.

Such herding together of the foreign born in cities gives rise to grave problems of municipal life, but it cannot be taken as an evidence of unwillingness of the foreign born to adapt themselves to new conditions. Is it an obstacle to such adaptation? It may seem strange to suggest the question, but if, with the inability of the immigrants to speak English and their lack of any connections which would aid them in securing employment, a general diffusion throughout the country is impossible, there must be either city colonies or rural colonies. The latter are less in the public eye than the former, but are they better schools for American citizenship? Is not the attrition of city life, with its more frequent contact with the native American, more likely to promote

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a knowledge of the English language and with it the ability to participate in the general life of the community, than the self-centered existence of rural communities? In this connection it is at least suggestive that in 1900 the number of native white persons of foreign parentage who could not speak English was greater in Wisconsin (5,024) and in Minnesota (2,740) than in New York (2,498); and that 19,103 natives of native parentage, who could not speak English, were enumerated in Pennsylvania.

Among the scanty evidences bearing upon the willingness of the immigrant to adapt himself, we may consider the statistics of naturalization. In 1900 there were enumerated 1,001,595 aliens,[1] or 24.6 per cent of all the adult foreign born males who made returns on the subject of naturalization (14.9 per cent of all having failed to make any return). The following statement as to length of residence is significant:

LENGTH OF RESIDENCE	ALL FOREIGN BORN MALES	ALIENS.[1] (ADULT MALES)
Less than five years	628,009	304,406
Five to nine years	756,967	254,511
Ten years and upward	3,963,759	431,437
Unknown	381,377	11,241
Total	5,730,112	1,001,595

This shows that the larger proportion of aliens is found among the more recent arrivals, and it might be anticipated that the aliens should be more numerous among the nationalities which characterize the modern immigration than among those which contributed more largely to the foreign born population in earlier years. Still, and despite the probability that the census of 1900 included a larger number of persons who had no intention of permanently remaining in the country than were included in prior enumerations, the influx of these newer elements shows as yet no appreciable influence upon the tendency towards naturalization. A comparison of the census of 1890 (the first which took note of naturalization) and that of 1900, gives the following percentages:

[1] The Census Reports designate as aliens all persons who have taken no steps towards naturalization. Persons who have taken out their first papers, but are not fully naturalized, are not classed as aliens.

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Foreign born Males of Voting Age	1890	1900
Naturalized	58.5	56.8
First papers filed	5.4	8.3
Aliens	27.4	20.0
Unknown	8.7	14.9

While the unknown element is larger in 1900, the total of unknown and aliens is slightly less than 1890.

If we turn now to the other phase of the question, the capacity of the immigrant to adapt himself to new conditions, the outlook is hardly reassuring. On the average the immigrant is a man who has nothing to lose by expatriation. He stands on the lower levels of the society from which he springs, and brings to the new country only a scanty endowment of intellectual attainment or of industrial skill. The recent statistics of the Immigration Bureau — for our detailed information in regard to new arrivals dates only since 1891 — may well give rise to apprehension.

As it is not the function of this paper to recite well known facts, but to bring out if possible certain aspects of the immigration question which have frequently been neglected, we need only note briefly the facts as to the illiteracy of the immigrants. An interesting chart accompanying the Immigration Report of 1903 shows the illiteracy of the immigrants over fourteen years of age to have been as follows:

1895	20 per cent	1900	24 per cent
1896	29 "	1901	28 "
1897	23 "	1902	29 "
1898	23 "	1903	25 "
1899	23 "		

Among the races which contributed largely to the immigration of 1903 we may note the following percentages of illiteracy:

Italians, southern	48 per cent	Italians, northern	13 per cent
Lithuanians	47 "	German	4 "
Croatian & Slovenians	35 "	Irish	4 "
Polish	30 "	Bohemian	2 "
Hebrew	25 "	English	2 "
Slovak	22 "	Scandinavian	0.3 "

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It would naturally be supposed that the shifting of the bulk of immigration from the races with a low rate of illiteracy to those with a high rate, would affect materially the average illiteracy of the foreign white population of the United States. This is reported as follows:

1880 . . . 12.0 per cent of population over 10 years of age.
1890 . . . 13.1 " " " " " " " "
1900 . . . 12.9 " " " " " " " "

The difference in twenty years is inappreciable — a fact which we believe is largely due to the number of temporary immigrants among the races with a high rate of illiteracy. Whatever it may do in the future, the immigration of recent years has not as yet increased the proportion of persons destitute of the rudiments of an education. Nor is the ignorance of the parents perpetuated among the children. This is shown in the fact that the children of foreign parents utilize the school facilities of the country as fully as do those of native parents.

PERCENTAGE OF ILLITERACY IN	1890 NATIVE WHITE		1900 NATIVE WHITE	
	Native Parents	Foreign Parents	Native Parents	Foreign Parents
United States	7.5	2.2	5.7	1.6
North Atlantic States . .	2.4	2.1	1.7	1.5
North Central States . .	4.1	1.9	2.8	1.3

In the average of the United States, the greater illiteracy of the Southern states materially affects the average for the native white of native parentage, and we have accordingly cited separately the Northern regions where the two classes are found side by side. The advantage in favor of the children of foreign parents is doubtless fully explained by the superior school facilities of the cities where this class is most numerous. It will be noted that in all cases there is improvement between the census of 1890 and that of 1900.

It is moreover worthy of note that among the foreign born of ten to fourteen years of age the illiteracy is 5.6 per cent, while among those of 65 years of age and over it is 19.3 per cent.

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This may be due in part to the fact that some of the foreign born children have enjoyed school facilities since their arrival, but it is also a reflex of the fact that the popular education in Europe is of recent date and that the fathers did not enjoy the opportunities of the children. This consideration is instructive in view of the fact that we know nothing of the illiteracy of the immigrants by actual count except in recent years. It points out the probability that the older immigrants may have been as ignorant as the new, and that illiterate immigration is not a new, but only a newly observed fact.

In connection with this discussion of the intellectual quality of the immigrants, we may properly note the census returns as to ability to speak English. It is reported that, in 1900, there were 217,280 foreign born persons in the United States over ten years of age, or 12 per cent of all, who could not speak English. Of course many of the foreign born spoke English as their mother tongue, 24.5 per cent being from the United Kingdom or English Canadians. Allowing for these persons, it appears that of the foreign born who had no English antecedents the proportion of those who had not acquired in some degree the ability to speak our language was 18.3 per cent. It is interesting to note that ten years earlier there were 15.5 per cent of the foreign born over ten years of age who could not speak English. Allowing again for those of English antecedents, we find 25 per cent of those without inherited knowledge of English who had not acquired it. The improvement between 1890 and 1900 may be in part due to the fact that in the former year, after a decade of heavy immigration, the proportion of recent arrivals among the foreign born enumerated was larger than in 1900. If this be true, we must state our conclusion cautiously to the effect that modern immigration has not as yet affected the rate of acquisition of the English language.

The capacity of the immigrant to adapt himself to new conditions may be examined also in the light of economic standards. Those who bring with them a certain degree of industrial efficiency, as evidenced by their occupations, may properly be looked upon as more promising than those who stand on the lowest scale of economic activity. The occupations of the immigrants landing in 1903 are thus stated:

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Professional occupations	6,999
Skilled labor	124,683
Miscellaneous	525,663
No occupation, including women and children	199,701
	857,046

The professional class is inconsiderable. If we eliminate those having no occupation, we find that skilled labor represents only 19 per cent of those having occupations. The vast majority come under the head "miscellaneous," whose largest contingent is unskilled laborers, 320,642 persons. This single category makes up 48.8 per cent of all immigrants having occupations. It is needless to point out that this composition of the immigrants as respects occupations shows a general average of economic standards much lower than in the population at large, where laborers not specified constitute less than 10 per cent of all persons engaged in gainful occupations. The fact is patent to all and constitutes the most serious aspect of the immigration problem generally. It would, however, be a mistake to assume that the prevalence of a low economic standard is a result of the shifting of emigration centres and a consequence of recent developments. A similar grouping of occupations shows for the decade 1881–1890:

Professional occupations	27,006
Skilled labor	540,411
Miscellaneous	2,195,292
No occupation	2,483,904
	5,246,613

If we again disregard the persons having no occupation, we find that only 19.5 per cent of the remainder are represented by skilled labor, a proportion not sensibly higher than that found in 1903.

With somewhat less accuracy we may push the inquiry still further back into the past. The special report upon immigration issued by the Bureau of Statistics in 1872 gives the occupations of all passengers arriving in the United States from 1820 to 1870. The figures show 1,398,516 laborers, 4,801,537 with occupation not stated or without occupation, and 2,319,281 in other occupations, in a total of 8,518,334. But these figures relate to all passengers and not exclusively to immigrants, embracing 714,469 citizens of the United States. It may, I think,

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be safely assumed that the citizens of the United States, returning to their own country had practically no representation in the class of laborers. If then, we deduct the citizens of the United States from the total arrivals and further eliminate the persons without occupation, we find that laborers not specified constitute 46.6 per cent of the remainder thus obtained. It would appear, therefore, that there has been no appreciable deterioration in the quality of immigration, judged from the standpoint of occupation. What it is to-day it always has been.

From the foregoing analysis it should, I think, be clear that the evidence of a declining average of intelligence and capacity which has been alleged to characterize recent immigration is just as inconclusive as that brought forward to show an increasing volume. However serious the problems of immigration, they are not new problems, nor are they more urgent to-day than before. To demonstrate this fact is not to answer the question whether restriction is or is not desirable. Such restriction may indeed have been desirable fifty years ago, or it may have become so since, not through any change in the volume or character of immigrants, but by reason of changes in the body politic. Into these larger questions it is not our purpose to enter. But it is, I trust, some slight contribution to this question to emphasize the fact that we are not dealing with new conditions.

Should the m[illegible] where it now stands, may we not hope that the doubts [illegible] fully absorb the immigrants of to-day, will prove quite as unfounded as those which found expression some fifty years ago, when the first great influx of immigration occurred?

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THE CAPITALIZATION OF THE INTERNATIONAL MERCANTILE MARINE COMPANY.

THE International Mercantile Marine Company completed, on December 31, 1903, its first year of life as a going concern. Up to the date of this writing, if stock quotations are any indication of its financial condition, the success of the company, from a market standpoint, is problematical. Its preferred stock is quoted at 18 and its common stock at 5, prices which indicate a general conviction that the equity in the company is worth little.

There is, however, a possibility that the stock market may be mistaken in its estimate of Mercantile Marine. In a declining market, stock values are influenced more strongly by the financial necessities of holders than by the earning power of the companies whose ownership they represent. This is especially true of the stocks of corporations launched on a declining market where the influence of every adverse factor is exaggerated. International Mercantile Marine has, in this respect, been peculiarly unfortunate. It was brought out during the fall of 1902, when the decline in the market was in full swing, and after the public buying power had been exhausted. Under the circumstances, these securities had no chance of a favorable reception. Moreover, almost from the start they were subject to inside pressure. The English vendors, stimulated by some natural distrust of the unknown economies of combination, and strenuously exhorted thereto by the financial press of Great Britain, which has been from the outset hostile to the combination,[1] sold the stock which

[1] For example, the *Economist*, on November 29, 1902, referring to the report that certain English vendors had expressed a desire to receive bonds in lieu of cash, remarked as follows: "They (J. S. Morgan and Co.) also state that the offer was made on the expressed desire of some shareholders, who wished to invest in the bonds. If that be the case, it seems to imply a singular lack of busi-

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they received in payment for their interest, and the members of the American underwriting syndicate, as well as the American vendors, hard pressed by the continued stringency in the money market, have contributed to the selling pressure.

The proposition should be considered on its merits, without special reference to the market price of the company's securities.

The outstanding capital of the Mercantile Marine Company is divided as follows:

Underlying bonds	$16,000,000
20-year collateral debenture bonds (4½ per cent)	52,000,000
Preferred stock, cumulative (6 per cent)	54,600,000
Common stock	48,000,000
Total	$170,600,000

To pay interest and preferred dividends — common dividends, at least for some years to come, are hardly to be expected — will require the following amounts:

Interest on underlying bonds, taken at 5 per cent	$ 800,000
Interest on debentures	2,340,000
Dividends on preferred stock	3,276,000
Total	$6,416,000

Following the practice of the older German and English companies and allowing 60 per cent of net earnings for depreciation, insurance and renewals, the total requirements, letting these funds include the sinking fund, are $16,000,000.[1]

ness capacity on the part of the vendor shareholders, since they need not seek far to find securities with a much greater margin of security than these bonds to return a higher rate of interest. All they do know is that its capitalization will be enormously in excess of that of the undertakings that have been absorbed in it, and none should be better aware than themselves of the difficulty that will be met with in earning dividends on such a large sum, since they have had the experience of the same difficulty with a much smaller capitalization."

[1] The bonds of the International Navigation Company, of which $13,686,000 are outstanding, call for a sinking fund of $250,000 to $500,000 annually, beginning May 1, 1905, which will retire the bonds at maturity in 1929. No sinking fund is provided for the bonds of the International Mercantile Marine Company, but they are subject to call at 105 after five years. If an adequate reserve is provided, the necessity of a sinking fund on bonds secured by shipping property does not appear.

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Shortly after the Mercantile Marine Company was organized, the statement was made, unofficially, but apparently on good authority, by the Wall Street *Journal*, that the average net earnings of the different fleets for four years were $6,107,675. The same authority stated that the estimated savings in the cost of operation for the year were $10,000,000. Adding these to the average profits above mentioned, the earnings of 1903 should have amounted to a sum sufficient to pay dividends on the preferred stock, although it was not expected that any disbursement would be made. In other words, accepting the corporation's own estimate of the economies which can be secured by its changes in administration, the amount of its earnings falls short of the amount necessary to pay dividends on the common stock.

Before proceeding further in the analysis, let us test the accuracy of this conjectural estimate by comparing these figures with the amount actually earned by other companies during 1902, a year which was more favorable for the shipping industry than 1903. Such a comparison is presented in the following table:

	TONNAGE	NET EARNINGS	NET EARNINGS PER TON
Cunard Company	114,410	$ 1,235,750	10.80
North German Lloyd	583,042	4,392,500	7.53
Hamburg-American	651,151	4,458,198	6.85
International Mercantile Marine	1,034,884	16,107,000 (est.)	15.57

It thus appears that the estimated tonnage earnings of the Shipping Trust for 1903 are nearly twice the average amount — $8.39 — which was earned during the preceding year by its leading competitors. Moreover, the German companies have for many years operated under a close pool which secures them all of the economies which the Shipping Trust was organized to obtain. Unless some other factors shall be discovered by the combination to increase its earnings, these preliminary estimates will eventually require some revision.

Accepting the same figure of tonnage earnings for the Shipping Trust which was attained in 1902 by its competitors, namely $8.39 per ton, we have next to inquire how the combination measures up to its interest and dividend requirements.

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The net earnings of the company, on this basis, would stand at $8,941,398, leaving $5,801,398 over fixed charges, for depreciation, renewals, and replacements. This amounts to about $5.60 per ton as compared with $4.30 per ton for the Hamburg-American Line in 1902, $6.19 for the North German Lloyd, and $8.04 for the Cunard Line. If we debit the earnings of the International Mercantile Company with $5.00 per ton for these various necessary expenses, an amount which, considering the age of their fleet and the necessity of providing for the redemption of their bonds, would seem to be no more than is required, and if we assume, as before, their tonnage earnings at $8.39 per ton, the Trust has only $606,978 remaining for its preferred stockholders. That this supposition is not wide of the truth, may be seen from the experience of the North German Lloyd Company in 1902, which earned, over interest, 14,770,000 marks, and credited to renewals and insurance all but 212,477 marks of this amount, reducing their dividend payments from 5,278,131 to 210,623 marks. Taking a three years' average of the earnings of the Cunard, Hamburg-American, and North German Lloyd Companies, we find that their combined depreciation and insurance charges amount to $24,719,112 out of $37,976,794 of net earnings, or about 65 per cent. It is impossible to escape the conclusion that the Shipping Trust must appropriate a similar proportion of its profits for the service of the company, if the first care of its management is for the property of the company. If this is done, however, a readjustment of the capital of the company is among the probabilities.

We have not reached the end of the chapter. The Shipping Trust was organized during a period of great prosperity, when the earnings of ocean transportation, although depressed somewhat below the abnormal figures of 1900, were still large. To pass final judgment upon its financial future, it is necessary that we cast backward and discover, if possible, from the history of other shipping companies, what may be expected if earnings follow the course of former years.

In the accompanying table appears the income account of the Cunard Company for a period of twenty years, including 1883 and 1902.

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CUNARD STEAMSHIP LINE.

	Profits, Including Balance Forward	Reserved for Depreciation	Reserved for Insurance	Total Balance	Dividends	Forward	Insurance Fund Stands at
	£	£	£	£	£	£	£, Often Written lb.
1902	263,617	158,722	24,686	68,808	64,000 (4%)	4,807	357,000
1901	226,022	167,900	5,766	65,984	64,000 (4%)	1,984	350,000
1900	553,241	284,488	119,037	143,434	128,000 (8%)	15,434	350,000
1899	294,856	173,223	34,247	83,527	80,000 (5%)	3,527	260,000
1898	261,691	172,169	29,496	57,663	56,000 (3½%)	1,663	235,000
1897	222,475	166,938	27,999	41,691	40,000 (2½%)	1,691	212,000
1896	249,788	184,822	32,417	42,181	40,000 (2½%)	2,181	202,000
1895	144,305	180,325	. . .	183,731[1]	. . .	deb. int. 1,466	187,000
1894	94,953	177,104	. . .	183,020[2]	. . .	2,072	230,000
1893	200,091	154,419	39,966	35,868[3]	32,000 (2%)	3,868	322,000
1892	174,607	125,856	33,496	36,296[4]	32,000 (2%)	4,296	317,500
1891	220,991	125,426	38,407	52,382	48,000 (3%)	4,382	315,000
1890[5]	246,601	125,840	43,144	72,838	64,000 (4%)	8,838	280,000
1889	350,203	130,573	41,918 54,480	175,469	96,000 (6%)	4,988	240,000
1888[6]	314,736	135,327 23,000	46,815 40,472	130,172	64,000 (4%)	2,700	. . .
1887	254,482	135,500	77,839	41,143	40,000 (2½%)	1,143	Debenture debt reduced from £450,000 to £96,000
1886	160,910	137,721	23,189	nothing left	nothing left	. . .	Loss of *Oregon* costs £113,241
1885	165,943	141,506	24,437	nothing left	nothing left	. . .	140,000
1884[7]	103,948	87,018 23,000	nothing left	nothing left	. . .	. . .	117,000
1883	146,920	93,134[8]	50,094	. . .	none	1,270	150,094

[1] £39,426 from insurance fund.
[2] £88,067 from insurance fund.
[3] £30,000 from insurance fund.
[4] £25,000 from insurance fund.
[5] The company had on hand at the end of 1890 in investments, bills, and cash, £559,922.
[6] £96,000 debentures paid off July 1st. Balance of cash and investments, £205,804.
[7] £23,000 taken from insurance fund and added to sum reserved for depreciation.
[8] Depreciation fund stands at £302,000.

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The feature of the movement which will immediately impress the reader is the extraordinary fluctuations of net earnings. From a minimum of £103,948 in 1884, they rose to a maximum of £350,203 in 1889, an increase of 237 per cent. From that point, although fairly maintained until 1893, they fell in 1894 to £94,953, the smallest figure ever reached. The depression continued during 1895, but in 1896 began the great upward swing which carried earnings up more than 550 per cent, to the enormous total of £553,241 in 1900. From this maximum, the decline was rapid, profits standing at £226,022 in 1901, and £263,617 in 1902. Passing over, for the time being, the explanation of these remarkable fluctuations, let us examine the disposition of profits which this company employed. We note at once that the reserves for depreciation took up a large share: £3,104,011 out of a total of £4,650,380. Another large amount, £787,905, or 16⅔ per cent of the total, went to the insurance fund, which the company has always maintained at a high figure. Out of the surplus remaining, to which was added £182,493 from the insurance fund, bringing the total amount available for distribution up to £940,957, £848,000 was paid in dividends, leaving £93,957 to be carried forward, an amount successively included in the annual profits. In other words, out of £4,650,380 of profits earned in 20 years, the Cunard Company paid out £848,000, or 18.8 per cent to its owners, and kept 81.2 per cent in the business. We note, moreover, that the disbursement of dividends was by no means regular. In six years out of the twenty, nothing was paid on the stock. In five other years, less than 3 per cent was paid, and in only one year, 1900, was as much as 8 per cent distributed to stockholders.

We note also with what extreme care the directors guarded their insurance and depreciation funds, taking every occasion of large earnings to build up these safety deposits, and refusing to sacrifice to the temporary advantage of the owners the permanent welfare of the company. In thirteen years out of the twenty, the profits of the company exceeded £200,000, aggregating £3,658,794. Of this amount only £816,000 was paid in dividends, £2,842,794 being carried to reserve. The shareholders reaped no small benefits, however, from their enforced self-denial. In

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four years of the period 1892–95, the insurance fund, which is held in cash and securities, was drawn upon for dividends or to maintain the depreciation fund. Of the £64,000 paid out to stockholders during these four years, £55,000 came from the reserves.

In short, it was only by the most careful economy, by the utmost prudence and conservatism in the distribution of profits, that the Cunard Company was able, over a twenty-year period, to average 2.6 per cent to its stockholders and, during the past ten years, to earn 3.1 per cent on a capital which at no time exceeded the book value of its ships.

For an explanation of the irregularity of these profits, we turn to the nature of the industry. The shipping business is, of all industries, the most irregular. It is liable not merely to the usual alternations of prosperity and depression, but to sudden fluctuations of rates and traffic which are entirely without parallel in any other branch of trade.

To begin with, the industry is strictly competitive. The high seas can never be monopolized. Dockage facilities in the leading countries are open to the ships of all the world, and shipyards will furnish a cargo steamer at a moderate price. Under these conditions, a permanent control of the shipping industry, sufficient to maintain rates or to control traffic, is out of the question. Agreements among the regular lines may introduce a certain degree of stability into passenger rates, and into the freight charges on the higher classes of commodities, but for the great mass of traffic, the raw materials and rough and half-finished products of commerce, carriers and shippers will continue, as they have from time immemorial, to make their individual bargains, and the rates of charge will continue to be fixed by the higgling of the market.

This situation has two consequences. If at any port the supply of shipping waiting for cargoes exceeds the amount of business offered, the competition between owners will force rates down sometimes to the smallest admissible margin above operating expenses. The amount asked by the marginal ship will fix the rate for the time being for all vessels leaving the port. On the other hand, a small excess of tonnage offered will have an equal

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effect in raising the rate. Some classes of commodities can be delayed in shipment longer than others, and some vessel owners can afford to lay up a portion of their tonnage rather than accept unremunerative rates. Generally speaking, however, the rule holds good. From every port and on every line of traffic, the rates are constantly changing in a way which would stagger a railway traffic manager, although he was deeply versed in the theory and practice of rebates and special concessions.

For example, take the following table of outward rates on coal from Wales to various ports in 1899:

	s. d.		s. d.	Per cent of Variation
Port Said	7 9	to	13 6	74
Genoa	7 6	"	11	47
Aden	11 6	"	16 6	43
Bombay	12	"	18 6	54
Colombo	12	"	19	59
Cape Town	19	"	30	58
Rio Janeiro	11 6	"	16	39

The movement of grain rates from the United States, while less irregular than the figures quoted above, is also subject to wide variations.

Examples of more extreme fluctuations are easy to find. The course of rates in the British market in 1896 offers a typical illustration of the extreme instability of ocean rates. The *Economist*, in its annual review of the shipping industry for 1895, reported, at the close of that year: "The tonnage afloat is enormously in excess of the world's requirements, and so long as this continues we cannot see that there will be an improvement." During the early part of 1896, this condition of extreme depression continued. Only in outbound rates to the East, where the China-Japan troubles made a brisk demand for shipping, was any profit presented. These rates advanced, and remained on a high level throughout the year. A large number of ships, finding no profitable employment at home, went out to the East. Once there, however, and the war ended, they could not get back again, for return freights were not to be had, and it was impossible to return such a long distance in ballast without the pros-

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pect of remunerative employment. This situation left a large number of cargo vessels stranded in eastern ports, unable to get back to western waters. A large part of the world's carrying trade was thus locked up. The available supply of shipping was suddenly diminished. The tonnage afloat accessible to English shippers was no longer as in 1895, "enormously in excess of the world's requirements."

Upon a straitened supply was now precipitated an avalanche of orders. Says the *Economist:*

> The corn trade in the past year assumed a novel and unexpected position; the production of the world was slightly short of the consumptive requirements, . . . two of the large producing and exporting countries (India and Australia) being actually converted into considerable importers, and several hitherto small importers making largely increased demands.

The general trade of the country, as the *Economist* notes, maintained the improvement and expansion awakened and started more than twelve months earlier.

> These combined influences came to bear on the freight market almost simultaneously; shippers of nearly every description, all wanting the same thing at the same moment, with a rather short supply of the article; result, blind competition sending up the price of tonnage by leaps and bounds, in many cases 200 to 300 per cent, from the end of September to the end of November. . . . By so much as the rise was rapid, by so much was the decline equally rapid, and at the close of the year we find freights all around, in every trade, worse if anything than at the commencement.[1]

This experience has been repeatedly duplicated in every market. It is true that the total supply of ocean shipping will in time become available to relieve any congestion; but much time must often elapse before relief can be extended, the tonnage must be moved at once, and the ship-owners who are fortunate in being on the spot reap a rich harvest. On the other hand, vessels which have gone out in ballast to Argentine or the United States, expecting full cargoes of grain, or which have made the long

[1] Commercial History and Review of 1896. *Economist*, vol. lv, supplement, p. 25.

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voyage to Australia, expecting a large movement of wool, suffer the full effects of a crop failure or a small wool clip.

The following table shows the fluctuations over a ten-year period in four of the leading items in the world's export trade.

Year	Export of Wheat from U. S. Bushels	Per Cent of Change from Previous Year	Export of Cotton from U. S. Bales	Per Cent of Change from Previous Year.	Export of Corn from U. S. Bushels	Per Cent of Change from Previous Year	Export of Wheat from Russia Thousand cwt.	Per Cent of Change from Previous Year
1892	225,665,812		5,858,000		76,602,285		26,297	
1893	191,912,635	−15	4,390,000	−27	47,121,894	− 39	50,351	+91
1894	164,283,129	−14	5,232,000	+19	66,489,529	+ 48	65,966	+31
1895	144,812,718	−12	6,726,000	+29	28,585,405	− 57	76,453	+16
1896	126,443,968	−12	4,627,000	−31	101,100,375	+243	70,774	− 6
1897	145,124,972	+15	5,979,000	+29	178,817,417	+ 77	68,670	− 2
1898	217,306,004	+49	7,540,000	+26	212,055,543	+ 19	57,047	−15
1899	222,618,420	+ 2	7,313,000	− 3	177,255,046	− 17	34,466	−40
1900	186,096,762	−17	5,946,000	−19	213,123,412	+ 20	37,627	+ 9
1901	215,990,073	+15	6,538,000	+ 9	181,403,473	− 20	44,626	+19

Many of these fluctuations took the shipping trade by surprise, and either too few or too many boats were available. In other cases, the supply of shipping the world over was either excessive or redundant, and freights fell or rose to correspond.

So much for the temporary fluctuations of ocean freight rates and tonnage. There are also movements of longer duration, corresponding to the ebb and flow of general business, but subject in peculiar measure to the influence of special forces. From 1893 to 1897, for example, the leading commercial countries were suffering from a commercial depression which caused a general decrease in the tonnage of international trade, and a still greater fall in the value of exports and imports. The effect of this situation upon the shipping industry has been already indicated. Tonnage could not be decreased, and, in fact, the tonnage of the world during these three years increased. The result was an unprecedented depression in the shipping industry. In 1893, the *Economist's* review reports a large number of steamers laid up and a number disposed of at forced sale. In 1894, the report was "low, unprofitable freights and declining values of property

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engaged; the whole of the enormous trade has brought little or no profit, and a very bare margin over working expenses, far from enough to cover depreciation." In 1895, came a year "which will not readily be forgotten by the ship owners. . . . Our anticipations have been to the full realized, and probably a worse year than the present has not been experienced by the very oldest in the business."[1] The condition of the trade, in 1896, as already remarked, was little better.

During the four succeeding years, the situation was entirely changed. The widespread industrial revival caused a large increase in the value of foreign trade; and the shipping trade, as illustrated by the rapid and extraordinary rise in the profits of the Cunard Company, became very profitable.[2] The main support of the market, during 1897 and 1898, was the American export trade, which was characterized in the *Economist's* annual review of 1897 as follows:

> It contributed largely toward sustaining rates in the early months, and causing a material advance during the autumn and late summer in all other rates by the ready absorption and continued demand for tonnage of all descriptions from the leviathan 8,000 to 20,000-ton cargo boats, to small fruit steamers.[3]

In 1899 the advance continued. General trade, the world over, was active, and the South African War resulted in the largest withdrawal of shipping that had been known for more than a generation. An outbreak of hostilities, involving even a second-rate power, always demands the services of a large amount of shipping. Even the effect of the Greco-Turkish War was sensibly felt; the influence of the China-Japanese War has been already mentioned; and the Spanish-American War materially contributed to the prosperity of the trade in 1898. The shipping industry can, over a period of years, depend with reasonable

[1] *Economist*, vol. liv, supplement, p. 26.

[2] The combined exports and imports of the United States, Germany and Great Britain, in 1895 were valued at $6,323,207,441. In 1901, six years later, their value had risen to $8,635,362,581. A large portion of this increase was undoubtedly due to the rise of prices, but the gain in tonnage was chiefly responsible.

[3] *Economist*, vol. lvi, supplement, p. 24.

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certainty upon the assistance of several wars. If international disturbances occur during a period of depression, the freight and traffic situation is relieved, and if, as in the case of the Boer War, the outbreak of hostilities comes hard upon the heels of general and abounding prosperity, the result is enormous profits for all shipowners. Not only does war increase the demand for ships, usually on terms highly favorable to the owners, but it raises the level of freight the world over by reducing the supply of tonnage.

These results followed from the South African conflict. At the close of 1900, the British Government had withdrawn some 2,000,000 tons of shipping, an amount nearly equal to the total steam tonnage of Germany, and nearly double that of France. In 1900, moreover, the troubles in China required the transportation of large numbers of troops to the East, and throughout the Boer War, a large coal tonnage was kept moving to the Cape. The result, as stated in the *Economist's* annual review, was that

> The tonnage taken on time charter for all trades during the past year has been unprecedented. The rates paid by our Government for transports were 20 *s.* per gross register per month, and in some cases more. Many charters in ordinary trades were made for long periods at very remunerative rates. Modern boats have commanded from 7 *s.* to 11 *s.* 6 *d.* per gross ton, according to the trade and length of charter.[1]

In 1901, however, the tide turned. During the preceding four years, the supply of tonnage had been increased 4,049,260 tons, and with the close of the war, the British government rapidly released the ships which it had employed. To make matters worse, the American corn crop was a failure, and the industrial depression on the continent reduced the amount of freight movement. Rates fell 30 per cent throughout the year, and have continued to fall during 1902 and 1903, the close of 1903 finding the trade extremely depressed, with little prospect of early improvement.

We find in this hasty review of the recent history of the shipping trade an explanation of the irregularity of the profits of the Cunard Company, and can understand why the directors have

[1] *Economist*, vol. lx, supplement, p. 28.

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pursued such a niggardly policy in the disbursement of profits. The management of a shipping company lives in constant apprehension. Exposed to increasing competition on every hand; compelled every year to build new and larger boats to keep pace with their rivals; anxiously scanning the commercial horizon for signs of business depression, crop failures, famines or labor disturbances; hoping and scheming for a few crumbs of subsidy, to introduce a modicum of fixed income into their earnings; engaged in a business as shifting and unstable as the sea on which that business is conducted — is it any wonder that the experienced ship-owners hold fast to their profits and regard the results of a year like 1900 as a gift of Providence to be guarded with zealous care?

Into this peculiar business came the promoters of the International Mercantile Marine Company. Attempting to apply to the shipping industry, the same principles of consolidation and capitalization which had been superficially successful on land, they imposed upon the new corporation an unusually heavy burden of capitalization, and they so arranged the capitalization as to make conservative financial management of the new company very difficult. The purchase price of most of the subsidiary companies was based on the profits of 1900. In the vendors' agreement between the syndicate and the White Star Line, for example, it was stated that

> the valuation of the said shares hereunder and under said principal contract shall, subject as hereafter provided, be a sum equal to ten times the net profits of the company of the year 1900, subject to the following exceptions . . . (*a*) a sum for depreciation equal to 6 per cent on the amounts at which the property of the company stood on its books on the first day of January, 1900, and a sum for insurance . . . equal to £3 10*s*. on the same amount . . .[1]

It was further stipulated that the earnings of steamships employed by the British government should "be credited . . . with net earnings of the same amount as were earned or would be

[1] For the text of these vendors' agreements, see Report of the U. S. Commissioner of Navigation, 1902, Appendix T, pp. 380 *et seq.*

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earned by similar steamships of the company for the same periods in their ordinary trades."

The year 1900, as has been shown, was one of abnormal profits. The Cunard Company nearly doubled its net earnings, and it is reasonable to suppose that other companies were equally fortunate. A partial record of the prosperity of this year is furnished by the record of dividends. The average dividend of twenty-five leading companies in 1896 was 6 per cent ; in 1898, 7.7 per cent; and in 1900, 9.4 per cent. In the extract from the vendors' agreement quoted above, we find a recognition of the fact that the profits of 1900 were exceptional, *viz.*, the provision reducing the earnings of ships employed in the government service to the general average of private employment. This reservation, however, does not go far enough. The mere fact of a large government employment, as has been shown, was sufficient to heavily increase the earnings of ships in private employment, and in capitalizing the earnings of this single year, the promoters of the Shipping Trust made a serious mistake.

Indeed, so apparent was the mistake, and so clearly did the trade foresee that reaction was impending, that this fact was openly urged upon the shareholders by the Leyland Line as an inducement to fall in with Mr. Morgan's plans. Said Mr. Ellerman, in May, 1901, at the shareholders' meeting of Frederick Leyland and Company :

> The outlook for freights in the near future is, in my judgment, an uncertain one. We have had prosperous times, and I feel that the near future may bring, at all events for a time, a reflux of bad times, particularly when the tonnage which is usually employed in the North Atlantic trade, but which is now employed in government transport work, returns to normal employment ; in addition to which a large amount of tonnage is building in America for employment in the Atlantic trade . . .[1]

Not only was the amount of capitalization excessive, but what was more important, the arrangement of the capital of the Shipping Trust, taken in connection with the amount of the different issues, was open to serious criticism. In addition to an amount

[1] Report of Commissioner of Navigation, 1901, p. 321.

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of bonds fully sufficient to absorb the maximum earnings of the company, a liability of $54,600,000 of cumulative preferred stock was assumed, all of whose passed dividends must be paid before the common stock receives anything. Our previous discussion has shown the shipping business to be so irregular that even with the most moderate capitalization, in some years dividends must be passed, and in other years paid out of reserve. At all times, the directors should have a free hand in determining whether profits shall be distributed to stockholders, used for replacements and depreciation, invested in securities, or held in cash. The irregularity of the business is so great, that a free disposition of profits to stockholders is out of the question. The policy of a well managed shipping company is dominated by the necessity of reserving from two-thirds to three-fourths of the profits in order that one-fourth may be paid out in dividends. In view of this fact, the absolute amount of the Shipping Trust's capitalization is of much less consequence than the nature of the liabilities which it includes. The fact that the company is excessively capitalized is of less consequence than the fact that the arrangement of this capitalization is such as to make prudent financial administration very unpopular with stockholders. In this arrangement, fixed charges and obligatory payments predominate. Of the $170,600,000 of capital, $122,600,000 consist of bonds and cumulative preferred stock. If the debenture interest is passed, while the form of the bonds puts foreclosure proceedings out of the question, the unpaid interest must be discharged before anything is paid on the preferred stock; and if the preferred stockholder is forced to await the convenience of the corporation, the hope of the common stockholder of receiving anything on his investment becomes remote. In other words, a conservative administration of the finances of the shipping consolidation involves a series of postponements, an accumulation of deferred claims. The collection of a reserve sufficient to pay dividends in years of depression, if we may judge from the experience of other companies capitalized on a basis similar to that of International Mercantile Marine, is likely to be seriously interfered with by the importunities of deferred claimants.

It would be going too far to say that the International Mer-

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cantile Marine Company is a failure. Its future lies in the hands of the stockholders. If they will sanction a policy of conservatism in the distribution of earnings there is no reason to suppose that the preferred stock of the company may not eventually be raised to the rank of an investment. The unfortunate experience of the corporation up to the present time, however, emphasizes the fact that it is necessary, in arranging the capitalization of a new company, to take into careful account the conditions of the business in which the new concern is to operate, and in every case to assume that industrial history is to be repeated. The "economies of combination" are no doubt considerable, but they are too problematical to be safely included in an estimate of earnings available for distribution to stockholders.

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THE MINIMUM SACRIFICE THEORY OF TAXATION.

IF taxes were voluntary contributions for the support of the state, it would be important that we should recognize some principle by which to determine how much each individual ought to give. Since the payment of such a tax and its amount would be matters for the individual conscience, it would be pertinent to ask what principle of obligation the individual ought to adopt as his rule of action. But since taxes are not voluntary contributions but forced payments, we need not so much to know what the duty of the individual is as what the duty of the state is: not how much the individual ought in conscience to give, but how much the state ought in justice to take from him, and under what conditions the state ought to take it. In the matter of taxation the state alone is the voluntary agent, and consequently the duty of the state alone is to be determined. It is one thing to say that the individual ought to contribute to the support of the state in proportion to the benefit which he receives, or to his ability to pay, or to his faculty, but it is quite another thing to say that the state ought to make him do any of these things.

These two questions, though distinct, may be resolved into one by assuming that it is the duty of the state to make its citizens do whatever they ought in conscience to do. It would still be the duty of the state which would have to be determined, but under such an assumption that duty would be clear whenever we had found out how the individual ought to act. Such was the assumption upon which states acted in an earlier and darker age, but it has generally been abandoned except in discussions of the basis of taxation, and it is time that it was abandoned even here.

It is doubtless true *in some cases* that the state ought to make the individual do whatever his duty requires, as in the payment of a debt or the keeping of a contract, but there are many other cases where the duty of the state has to be determined on other grounds. It may be that each citizen ought to contribute to the support of the church "according as the Lord hath prospered

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him," but none of the more advanced nations would think of trying to compel him to do so. It may be the duty of each laborer to join a union, but no state ought to force him into one, much less ought the union to be allowed to appropriate that prerogative of sovereignty to itself. It may be, and very likely is, the duty of each individual "to produce according to his ability and consume according to his needs," but no one but a Marxian socialist would claim that the state ought to make him do so. The illustrations might be multiplied, but enough has been said to show that there are no *a priori* reasons for assuming that because the individual ought to pay for the support of the state according to his ability, for example, that it is therefore the state's duty to make him do so.

It is not to be inferred that the question of taxation is entirely divorced from ethics. Neither is it to be inferred that there are two kinds of moral obligations, one for the individual and the other for the state, nor that the ultimate test of right action is not the same for the one as for the other. A very distinct ethical problem is involved in the question of the apportionment of taxes: *viz.*, what is the duty of the state in the matter? Moreover, there is only one kind of moral obligation, and the same test of right action, whatever that test may be, must be applied in determining the duties of both the individual and the state. But even when a general principle of obligation has been agreed upon, no one is in a position to decide upon the specific duty of either the individual or the state until he knows what would be the general consequences of their various possible acts. Recognizing that each act is, for his purposes, the first link in a chain of causation, he must be able to trace that chain from its initial act to its general results before he can tell whether or not the act in question conforms to his general principle. As applied to taxation, for example, he must know how the effort to collect a certain tax will affect industries and morals and other social interests before he can say whether the state, in levying the tax, would be acting in harmony with the general principle of obligation agreed upon. If, to be more specific, he should find that the attempt to collect a certain tax would discourage certain desirable industries and commendable enterprises, that would be at least a partial reason for con-

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demning it. That is to say, if the industry which is suppressed meets the test of the ethical principle, the tax which suppresses that industry cannot possibly meet the same test.

The question of the general principle of obligation lies so far outside the field of economics that one may be justified in borrowing such a principle ready made from the moral philosophers. Let us therefore accept, for purposes of this discussion, the principle of utility, and assume that the state, as well as the individual, ought to promote the general welfare — or the greatest good to the greatest number. How can the state promote the general welfare in the matter of taxation? In discussing the duty of the state the present writer cherishes no illusions as to the nature of the state. Realizing that the state is merely an abstraction, a convenient name for certain forms of joint action on the part of a multitude of individuals, and that the state can have no duties separate and apart from those of the individuals who compose it, yet the duty of the individual in imposing his will upon other individuals through legislation is so distinct from his duty in other matters that it is much more convenient, and fully as accurate, to speak of the former class of duties as if they belonged to the state itself.

The question of the duty of the state in matters of taxation is, of course, to be kept distinct from the question of its duty in the expenditure of revenue after it is raised. By the expenditure of a given revenue the state may, in various ways, add positively to the general welfare. But it may not be so obvious how the state can, in merely collecting revenue, promote the general welfare. There are certain ways of collecting revenue which are generally believed, and no doubt correctly, to positively promote well being. When, for example, a tax or a license suppresses or holds in check an industry which is regarded as more or less deleterious, such a tax or license meets the utilitarian test, and is justified only because it meets that test. Writers on taxation generally, even those who uphold the benefit theory or the faculty theory, accept this as a justification, even though it does not conform to their special canon of justice. But if the general utilitarian principle, or the general welfare argument, can, in this special case, override their special canon, why may it not in other cases as well?

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It is at least an admission that the general utilitarian test is a more fundamental test than that of their special canon. If so, the more fundamental test ought to be applied in all cases.

While, as already suggested, there are certain taxes whose collection adds to the public welfare by suppressing undesirable industries, yet, generally speaking, the collection of a tax is in itself an evil. It is the cost which we have to undergo for the advantages which may be secured by means of the revenue after it is collected. Since a tax is, speaking thus generally, an evil, a burden, a sacrifice imposed, it is obvious that the utilitarian principle requires that that evil, that burden, that sacrifice, shall be as small as possible in proportion to the revenue secured. When the taxes are so levied and collected as to impose the minimum of sacrifice, and the revenue so expended as to confer the maximum of advantage, or when the surplus of advantage over sacrifice, of good over evil, is at its maximum, the state has fulfilled its obligation completely: it has met the utilitarian test.

If it is once admitted that the state's obligation in the matter of taxation is to be determined on the basis of a broad principle of public utility, then it is apparent that the argument in favor of either the benefit theory or the faculty theory must be reconstructed. Instead of basing the argument upon the duty of the individual, as is usually done,[1] the upholder of either of these theories must show that if the state should apportion taxes according to benefits received, in the one case, or according to ability to contribute, in the other, such apportionment would impose the least burden, all things considered. This is possibly the subconscious basis of the arguments of those writers who have championed either of these theories, but it does not seem to have been explicitly recognized by any of them. The champion of the faculty theory, for example, may conceivably have reasoned somewhat as follows:

Major Premise. The burdens of taxation ought to be so distributed as to involve the least possible sacrifice on the part of the community as a whole.

[1] If such is not the argument, then the leading expounders of these theories are at least guilty of inaccurately expressing their views.

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Minor Premise. When each individual contributes in proportion to his ability, the whole burden of taxation is most easily borne — *i.e.*, with the minimum of sacrifice.

Conclusion. It is the individual's duty so to contribute.

Granting the premises, the conclusion follows as a matter of course, so far as the individual's duty is concerned; but, as we shall see later, the minor premise is not sound, and, as we have already seen, the conclusion is not conclusive so far as the duty of the state is concerned. For, whatever might be true if all men were willing to contribute according to their ability, the fact is that they are not willing so to do. Being unwilling, they will resort to various methods of avoiding such contribution. The attempt of the state to compel them to contribute according to their ability will not be without injurious results: it will cause various changes in the direction of business enterprise. One of the ways of avoiding the necessity of paying a tax is to avoid the occasion which the assessor, acting under the law, seizes upon as a pretext for collecting a sum of money. If, for example, the possession of a certain kind of property is such an occasion, men will tend, within certain limits, to avoid the possession of that kind of property. In so far as men generally try to avoid the possession of such property, or to avoid the other occasions for which the assessor is on the look-out, in so far is industry and enterprise disturbed and readjusted. These disturbances and readjustments may be more or less injurious, or more or less beneficial. If some taxes are to be approved because they repress certain undesirable industries, others must on the same reasoning, be condemned because they repress desirable industries. Since almost every tax has some effect in determining the direction of business enterprise, it is obvious that such considerations must enter into the determination of the duty of the state. The matter is therefore not settled when we have found out what the individual ought to do.

By an argument precisely similar to, though somewhat sounder than, that in favor of the faculty theory of taxation, the socialist could support his claim that the state ought to assume the direction of all industry and apportion to each individual his work and his income.

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Major Premise. The individual ought to work for the economic welfare of the whole people.

Minor Premise. If each individual would voluntarily work according to his ability and consume according to his needs, the economic welfare would be promoted in the highest degree.

Conclusion. It is the duty of every individual to produce according to his ability and consume according to his needs.

Both the premises are probably sound, and, if so, the conclusion follows as a matter of course; but like the former argument it is inconclusive when applied to the question in hand, which is: What ought the *state* to do? This question is complicated in both cases by the fact that individuals are not willing to do what the conclusion points out as their logical duty, and will therefore adopt methods of avoiding such necessity if the state should attempt to impose it upon them. Such an attempt would therefore produce unlooked for, and, it is generally conceded, highly undesirable consequences. All this amounts to saying that it is not the duty of the state to try to do anything which it cannot accomplish, or in trying to accomplish which it would work mischief. What is here affirmed regarding the state is equally true of individuals. It is, for example, in the opinion of the present writer, highly desirable that all who read this article should agree with its conclusions, but even he does not consider it any one's duty to try to force them to do so — for the simple and only reason that such an attempt could never succeed, or if it did, it would produce other results more undesirable even than disagreement.

McCulloch alone among the leading writers on taxation seems to have grasped this fundamental truth, when he wrote:

> It would, no doubt, be in various respects desirable that the inhabitants of a country should contribute to the support of its government in proportion to their means. This is obviously, however, a matter of secondary importance. It is the business of the legislator to look at the practical influence of different taxes, and to resort in preference to those by which the revenue may be raised with the least inconvenience. Should the taxes least adverse to the public interests fall on the contributors according to their respective abilities, it will be an additional recommendation in their favor. But the *salus populi* is in this, as it should be in every similar matter, the prime consideration; and the tax

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which is best fitted to promote, or least opposed to, this great end, though it may not press quite equally on different orders of society, is to be preferred to a more equal but otherwise less advantageous tax. . . . The distinguishing characteristic of the best tax is, not that it is most nearly proportioned to the means of individuals, but that it is easily assessed and collected, and is, at the same time, most conducive, all things considered, to the public interests.[1]

Far from ignoring all ethical considerations, as Bastable suggests,[2] this is a distinct recognition of an ethical principle more definite and more fundamental than any which Bastable himself recognizes in his discussion, or shows any signs of being aware of.

Leaving out of consideration for the present all benefits which the levying and collecting of a tax may confer, such as the suppression of an undesirable industry or the deepening of the taxpayer's interest in the affairs of the state, let us turn our attention to the sacrifices involved. There is, of course, to be considered the direct sacrifice on the part of him who pays a tax. Having his income curtailed by the amount of the tax, his power to consume, or to enjoy the use of wealth, is correspondingly reduced. This form of sacrifice is the most prominent, and has, naturally enough, generally appealed most strongly to writers on taxation. But there is also another form of sacrifice quite as important and fully as worthy of attention. Any tax which represses a desirable industry or form of activity not only imposes a sacrifice on him who pays it, but also upon those who are deprived of the services or the products of the repressed industry. Taxes should therefore be apportioned in such a way as to impose the smallest sum total of sacrifice of these two kinds.

While it is essential that both forms of sacrifice should be considered before reaching any final conclusion as to the best system of taxation, nevertheless the preliminary discussion may be facilitated by first considering them separately. If one were to consider only the first and more direct form of sacrifice, with a view to determining how the total sacrifice of this kind could be reduced to a minimum, he would be driven to conclude in favor of a highly progressive rate of taxation on incomes, with a somewhat

[1] Taxation and the Funding System, London, 1845, p. 19.

[2] Public Finance, London and N.Y., 1895, p. 314.

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higher rate on incomes derived from more permanent sources, such as secure investments, than upon incomes from insecure sources, such as salaries. From the gross income which comes to him in the form of a salary, the receiver must make certain deductions in the way of insurance premiums, *e.g.*, to provide for the future, before he is on a level, in point of well being, with one whose net income comes to him from a permanent investment. The man with a salary of five thousand dollars would be no better off than another with an income of four thousand from a permanent investment, if the former would have to spend one thousand dollars of his salary in life insurance premiums in order to provide as well for his family as the latter's family would be provided for by the investment itself. Under these conditions, the sacrifice involved in the payment of an equal amount to the state would be equal, though the nominal incomes are unequal.

Leaving such matters out of consideration, a highly progressive rate of taxation would be necessary in order to secure the minimum of sacrifice, and for the following reasons. In the first place, a dollar is worth less, generally speaking, to a man with a large income than to a man with a small income, and a dollar taken from the former imposes a smaller sacrifice than a dollar taken from the latter. Moreover, if after the first dollar is taken from the first man, his income is still greater than that of the second man, the taking of a second dollar will occasion him less sacrifice than would the taking of a first dollar from the second man; so that if only two dollars were to be raised, they should both be taken from the first man. Applying this principle rigorously, we should continue taxing the largest income until it was reduced to such a level that the last dollar of the remaining income was worth as much to its owner as the last dollar of the next largest income is worth to its owner, and then only should we begin to tax the latter at all. Then the two should be taxed until they were reduced to a similar level with respect to the third largest, before the third largest is taxed at all, and so on until a sufficient revenue is raised.[1]

[1] For a fuller discussion of this point, see an article by the present writer on "The Ethical Basis of Distribution and its Application to Taxation," in *The Annals of the American Academy of Political and Social Science*, July, 1895.

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Such an application of the principle involves the assumption that wants are equal, which, though obviously not true, approximates more nearly to the truth than any other working assumption that could possibly be invented. Since the state must collect a revenue, it must have some definite assumption upon which it can proceed. The question is not, therefore, whether men's wants are equal, but whether there is any rule of inequality of wants upon which the apportionment of taxes could be made with a nearer approximation to the truth. If there be such a rule, it has not yet been discovered. To assume, for example, that the man whose income is greater than five thousand has correspondingly greater wants than the man whose income is less than five thousand, would be obviously unsafe, because there are even chances that the opposite would be true. Where the chances are even on both sides, it is safer to assume equality. Of a given number of men of the same age and the same general standard of health (by way of illustration) it is obviously untrue to assume that they will all live the same number of years, yet it is nearer the truth to assume that than any other definite workable principle. Consequently the life-insurance company acts justly when it assumes that they will live the same number of years, and apportions their premiums accordingly.

This in no way ignores the fact that wants expand with the opportunity of gratifying them. This objection, however, could only apply at the time when the tax was first imposed. At such a time it would doubtless be true that the five thousandth dollar taken from a man with an income of ten thousand would occasion him a greater sacrifice than the taking of the first dollar from an income of five thousand dollars would occasion its owner. But the reasons for this are twofold. In the first place, by taxing the first man so heavily the state would be depriving him of so many things which he was accustomed to enjoying that by the time the five thousandth dollar was reached, the taking of each particular dollar would be keenly felt. The last dollar of his remaining income would represent a greater utility to him than would the last dollar of the five thousand dollar income to its owner. In the second place, by taxing the second man so lightly as compared with his present taxes, the state would be allowing

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him to consume some things to which he had not become accustomed. The taking of the particular dollar in question would not involve a very high sacrifice, for the reason that it would deprive him only of some enjoyment which had not yet entered into his standard of living. But both these reasons would disappear after the new tax had been in operation for a generation, or long enough to bring the standards of living of the two men to the same level.

Drastic as this method of taxation would be, yet, the writer contends, this is the method which would be logically forced upon us if we should adopt the utilitarian test, and should, in applying it, have regard only to the direct sacrifice on the part of those who pay the taxes, ignoring the indirect forms of sacrifice which a system of taxation inevitably imposes. J. S. Mill, who advocated equality of sacrifice as the rule of justice in taxation, was guilty of faulty reasoning on this point, doubtless because he had not made the analysis which subsequent writers have made into the nature of wants and their satisfaction. He was too good a utilitarian to advocate equality of sacrifice if he did not believe that it would involve the least sacrifice on the whole. This is shown by the following quotation, the italics of which are mine.

> For what reason ought equality to be the rule in matters of taxation? For the reason that it ought to be so in all affairs of government. As a government ought to make no distinction of persons or classes in the strength of their claims on it, whatever sacrifice it requires from them should be made to bear as nearly as possible with the same pressure upon all, *which, it must be observed, is the mode by which the least sacrifice is occasioned on the whole.* If any one bears less than his fair share of the burden, some other person must suffer more than his share, and the alleviation to the one is not, *caeteris paribus*, so great a good to him, as the increased pressure upon another is an evil.[1]

The last proposition in the above quotation would be true only of persons whose incomes were approximately equal. If A's income is twice as great as B's, or, to state it more accurately, if A's income were enough greater than B's so that a dollar is worth half as much to A as it is to B, then equality of sacrifice would be

[1] Principles of Political Economy, bk. v, ch. ii, sec. 2.

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secured by making A pay twice as many dollars as B: by collecting $100, for example, from A and $50 from B. But the last dollar of A's remaining income would still be worth less to A than the last dollar of B's remaining income is worth to B: and the last dollar taken from A would occasion him less sacrifice than the last dollar taken from B has occasioned him. Then by taking more than $100, say $110, from A, and less than $50, say $40, from B the same revenue would be raised with a smaller sum total of sacrifice, for the gain to B by this change would be greater than the loss to A. This will appear at once to any one who at all understands the principle of marginal utility. The only conclusion one can draw is that the least sum total of direct sacrifice is secured, not by equality of sacrifice, but by equality of *marginal* sacrifice. Equality of marginal sacrifice would be secured by so apportioning taxes that, as a general rule, the last dollar collected from one man should impose the same sacrifice as the last dollar collected from any other man, though the total amount collected from each man might impose very unequal total sacrifices.

We are now in a position to test the validity of the minor premise in the argument on page 70: *viz.*, if each individual would voluntarily contribute in proportion to his ability, the whole burden of taxation could be most easily borne — *i.e.*, with the minimum of sacrifice. If one's ability is assumed to be measured by one's income, real and potential, and to vary with that income, then the minimum of sacrifice would not be secured by each one's paying according to his ability. If the rich would volunteer to pay more than in proportion to their ability, allowing the poor to pay less than in proportion to their ability, the burden would be more easily borne — *i.e.*, with less sacrifice — than if all should pay proportionally. As a statement of individual obligation, even, the faculty theory is untenable, unless modified and defined more rigidly than has yet been done. From the strictly utilitarian standpoint, the individual who measures his obligation to society by his total income is less to be commended than the individual who determines whether he has fulfilled his social obligations by considering, not how much he has given, but how much he has left. The latter type of individual

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is well illustrated by the example of that religious and philanthropic leader who found, early in life, that he could live in comfort and maintain his maximum efficiency by the expenditure of a certain small income. Later in life, as his income increased, he continued living on his earlier income, devoting all his surplus to the service of society. This is mentioned merely by way of further elucidation of the proposition that if there were no indirect consequences of the attempt to collect taxes, the utilitarian test would require an enormously high rate of progression in the apportionment of taxes, and that, if the state were able to apportion and collect taxes on this basis, it would only be making individuals do what they ought to do voluntarily.

But there are indirect results, the most important of which is, as already pointed out, the repression of certain desirable industries and enterprises. The importance of this consideration becomes apparent when we reflect on the probable consequence of a system of taxation so drastically progressive as that suggested above. If a large share of one's income above a certain sum should be seized by the tax collector, it would tend to discourage the effort to increase one's income beyond that sum. In so far as this reduced the energy of the individual in business or professional life, the community would be deprived of his services. This deprivation would be a burden on the people, all the more regrettable because it would not enrich the public treasury in the least.[1]

Such considerations become still more important when we come to the discussion of various forms of taxation, especially the taxation of various kinds of property. Since different kinds of property come into existence in different ways, taxes must affect them differently. A kind of property which is produced by labor, or comes into being as the result of enterprise, may be very seriously affected by a tax. Tax the makers of it and they will be less willing to make it. Tax the owners or users of it and they will be less willing to own or to use it. They will therefore pay less for it, and thus discourage the makers of it as effectively as if the latter had to pay the tax themselves. In either case, there

[1] See also Ross, "A New Canon of Taxation," POLITICAL SCIENCE QUARTERLY, vii, p. 585.

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will be less of that kind of property made and used, and some members of the community who would otherwise have enjoyed the use of it will now be deprived of that use. This is a burden to them, and, moreover, a burden which in no way adds revenue to the state. Such a tax is repressive. On the other hand, a kind of property whose existence does not depend upon individual labor or enterprise, will be less affected by a tax. Tax the owner of a piece of land, and, while you make him less anxious to own it, you will not cause him to abandon it. While you lower its price, you do not reduce the amount of land nor deprive the community of the use and enjoyment of anything which it would otherwise have had. Such a tax is not repressive.

As a general proposition, it is safe to say that, other things equal, a tax which represses desirable enterprises or activities, and thus deprives the community of the use and enjoyment of certain desirable goods, is more burdensome in proportion to the revenue raised than a tax which does not entail such results. In other words, a repressive tax is more burdensome than a non-repressive tax. A proposition much more to the point is that a tax on any form of property or income which comes into being as the result of the productive industry or enterprise of its owner is more repressive than a tax on any form of property or income which does not so come into being. By productive industry and enterprise is meant such industry and enterprise as adds something in the way of utility to the community, and not such as merely costs something to its possessor. Skill in buying land may cost as much study and care as skill in making shoes; but, whereas those who exercise the latter kind of skill increase the number of shoes, it has never been shown that those who exercise the former kind add anything whatever to the community's stock of useful goods. Tax shoe factories and, in so far as it represses the industry, the community will have fewer shoes. Tax the land and the community will not have less of anything than it would have without the tax. What is said of a tax on land could also be said, within limits, of a tax on inheritances. From the standpoint of non-repressive taxation, therefore, both the land tax and the inheritance tax have much to be said in their favor.

Any one who is familiar with the subject of the shifting and

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incidence of taxation will see at once that there is a close connection between the repressive effects of a tax and the shifting of it. A tax can be shifted, generally speaking, only when it affects the demand for, or the supply of, and consequently the value of, the thing taxed. The more easily a tax affects the supply or demand, the more easily it is shifted. A tax which does either of these things is repressive: it affects supply by repressing production; it affects demand by repressing consumption. A careful analysis of the conditions under which taxes may be shifted is, therefore, very much to be desired.[1] Such an analysis would enable us to form conclusions as to the repressive or non-repressive effects of various taxes.

As applied to incomes in general, without regard to their source, a progressive, even a highly progressive, tax will occasion, on the whole, less direct sacrifice to the taxpayers than a proportional tax. A progressive tax is therefore to be commended, unless the rate of progression is made so high as to discourage the receivers of large incomes from trying to increase them. If the rate of progression is so high as this, the indirect form of sacrifice, growing out of the repressive effects of the tax, will counteract, wholly or in part, the reduction in the direct form of sacrifice. A moderately progressive income tax would, therefore, seem to be more desirable than a proportional one. But as between different kinds of income and different kinds of property, the preference should be given to those taxes which fall upon natural products, such as land, rather than upon produced goods, and upon increments of wealth which come to an individual through natural causes over which he has no control — inheritances, for instance — rather than upon incomes earned by the individuals themselves. Such taxes are less repressive than most other special forms of taxation, and therefore occasion less sacrifice of the indirect kind.

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[1] For an attempt in this direction, see the present writer's article on "The Shifting of Taxes," *Yale Review*, 1896. See also Seligman's Shifting and Incidence of Taxation for a brilliant survey of the earlier attempts.

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NEW ENGLAND COLONIAL FINANCE

IN THE SEVENTEENTH CENTURY.

THE industrial and commercial basis on which the system of self-government in the corporate colonies ultimately rested, revealed itself most distinctly in their finances. That is the point where, in all systems, economic and political institutions come most closely in contact. The estates of the colonists consisted mainly of land, of the inexpensive buildings which stood upon it and of the cattle and farming utensils which were required to stock it. In the settlements which were located on the coast were to be found small warehouses, wharves, merchant vessels, and stocks of imported goods. A few small iron mines were worked here and there. The beaver trade was, or might be, a source of income to many individuals; in some of the colonies it was such, though in New England it never reached great proportions. Trade with the Indians and the sale of liquor were forms of business which especially called for control by a system of licenses. These references suggest the chief sources of income, from which, together with judicial fines, public revenue in all the colonies was derived.

It is necessary briefly to outline the system of taxation and expenditure, together with its chief administrative features, which developed in the early New England colonies. In their finances, as in all other departments of their activity, the colonies of this group resemble one another in all essential particulars. They differ only in comparatively unimportant details. The main outline of their system was the same as that of the provinces; but the divergencies between the two groups — the provinces and the corporate colonies — were greater and more numerous than those which appear among the corporate colonies themselves.

In all the colonies, provincial as well as corporate, the supply of coin was far smaller than was needed, even for their limited exchanges. The permanent excess among them of imports over exports tended constantly to draw away to Europe, or elsewhere,

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the supplies of coin which came through trade or were brought by pirates. Massachusetts sought to supply its need by the establishment of a mint, and its coins circulated widely among the neighboring colonies. The proprietor of Maryland caused small coins to be privately stamped in England for use in his province. On a minute scale a few other experiments of this kind were tried. But, taken all together, they did not prevent a general resort to barter.

The reversion of the colonists toward primitive conditions of life was evidenced, perhaps, more clearly by this fact than by any other. It was reflected in the financial systems of all of them. It necessitated the payment of taxes — especially direct taxes — in kind. In the tax laws of the period, if they were drawn with any care, the rates at which various commodities or products common to the region would be received in payment of public dues had to be prescribed. These commodities were chiefly the cereals and other farm products, skins, cattle, and wampum; in the southern provinces tobacco and rice. In New England corn was the representative commodity; elsewhere it was tobacco. The requirement that taxes should be paid in commodities made it necessary that collectors and treasurers should keep a magazine,[1] where the products could be stored until they were marketed for the government or transferred in payment of its debts. When cattle were receivable, a stock-yard had to be maintained. The commodities in particular were liable to deterioration while in transit, and to losses of this kind the government was continually exposed. In this way, as well as in others, the system of barter added to the financial difficulties of the colonies. In 1655, in order to spur the constables to greater promptness, they were ordered by the general court of Massachusetts "to impresse boates or carts for the better & more speedy sending in the rates according to the times appointed by lawe."[2] In order to avoid "the charge and trouble of transportation of the rates," the general court ordered, in November, 1675, that if bills for wages and

[1] In Connecticut we hear of a proposition in 1667 to hire "a chamber for the keeping of the Country Rate in the respective towns from the time of the gathering of it till it is payd." Conn. Recs. ii. 64.

[2] Mass. Recs. iv, 247.

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other government debts were sent from the localities to the colony treasurer, he should return certificates which would enable the debtors to secure their pay from the commodities collected as rates in those same localities.[1]

The levy of direct taxes by the corporate colonies was a remarkable extension of the right of trading corporations in England to levy assessments on their stockholders. This practice, however, if literally followed by the Massachusetts company after its removal into the colony, would have restricted to freemen the obligation to pay taxes. But no limitation of this kind was ever observed. From the outset non-freemen were taxed equally with freemen in all the New England colonies. The principle which they aimed to follow in their systems of taxation was set forth in the Massachusetts order of 1634:

> It is further ordered, that in all rates & publique charges, the townes shall have respect to levy every man according to his estate, & with consideration of all other his abilityes, whatsoever, & not according to the number of his persons.[2]

In 1638 the court declared that every inhabitant was liable to contribute to all charges, both in church and commonwealth, and this declaration was specially made in view of the fact that many non-freemen had refused to share in certain voluntary contributions.

New England was the home of the "rate." The country rate, the county rate, the town rate, these were the designations of the chief forms of direct taxation in all that group of colonies. It was the country rate — the tax that is of chief importance in this connection — which developed out of the assessments on stockholders. It was defined by the general court of Massachusetts in 1639 as "such rates as are assessed by order of the publique Court for the countryes occations & no other."[3] In Plymouth the rates were levied on the inhabitants of each town "according to goods, lands, improved faculties, and personall abillities."[4] By improved land was then meant meadow, ploughed and hoed land. In 1658 the law specified in greater detail that rates should be

[1] Mass. Recs. v, 66. [2] *Ibid.* i, 120, 240. [3] *Ibid.* i, 277.
[4] Plymouth Col. Recs. xi, 42, 142, 211.

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levied, though in varying proportions, on all appropriated lands whether improved, meadow, or dormant; upon cotton goods, stock employed in trading, boats and other vessels, mills, and other visible estate. The equivalent of this description, though usually in briefer terms, can be found in the records of all the other corporate colonies.[1] In 1668 and 1669 Massachusetts carefully provided for the levy and collection of the rate even upon imported goods at the ports. Entry of such goods before officers specially appointed for the purpose was required. These acts were passed in response to complaints of inequality of taxation.[2]

The rate, whether it was a colony or a local levy, was a general property tax. It was levied on the entire estate, so far as it could be ascertained, of those who were liable to the tax. Occasionally slight exceptions were made,[3] but the rule was as just stated. An order which was issued by the general court of Massachusetts in 1651 indicates that, then as now, merchants were able to conceal their property, and therefore the weight of the tax fell unfairly on the farmer.[4] For this reason the court ordered that all merchants, shopkeepers, and factors should be assessed "by the rule of common estimation, according to the will and doome of the assessors in such cases appointed." Regard should be had to the stock and estate of the parties, in whose hands soever it might be, "that such great estates as come yeerely into the countrie may beare their proportion in publicke chardges." In the loans relating to rates the estimated values of domestic cattle were often stated in detail, but no effort was made to do the same in reference to other forms of property.

With the country rate was regularly combined a poll tax, and sometimes also a form of income tax. In the Massachusetts law of 1646, by which rates were more carefully defined than in any previous act, this statement was made:

That a due proportion may be had in all publicke rates, it is ordered that every male within this jurisdiction, servant or other, of ye age of

[1] Mass. Recs. i, 120; ii, 213; Conn. Recs. i, 548; New Haven Recs. i, 494; ii, 581; R. I. Recs. ii, 510.

[2] Mass. Recs. iv,[2] 363, 418. [3] *Ibid.* ii, 174.

[4] *Ibid.* iv,[1] 37. Douglas, Columbia Studies in History, *etc.* i, 274.

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16 years & upward, shall pay yearly into ye common treasury ye summe of 20 *d.* . . .

Though provision was later made for exemptions, this enactment accompanied all subsequent levies of country rates in Massachusetts. In 1647 the rate of the poll tax was increased to 2*s.* 6*d.* This was maintained until 1653, when the former rate was restored.[1] The same combination of the poll tax with the property tax appears in Connecticut and New Haven,[2] but not in Plymouth or in Rhode Island.

The levy on incomes was introduced in Massachusetts by the act of 1646. This was intended to reach artisans who could afford to contribute more toward the public charge than could mere day laborers. According to the law of 1646 artificers who received 18*d.* per day in the summer time should pay 3*s.* 4*d.* annually in excess of their poll tax, while smiths, butchers, bakers, cooks, victuallers, and the like, if they were not disabled by sickness or infirmity from exercising their callings, should pay in proportion to their incomes.[3] The express intention of the law was to tax the incomes of this class proportionably to the levy which was imposed on the estates of other men. This feature of the Massachusetts system was favored by other colonies; it was incorporated in the Connecticut code of 1650 and the New Haven code of 1656.[4] No trace of it appears in Plymouth or Rhode Island. How long the tax was continued in Massachusetts it is impossible to tell.

The country rate as originally levied was a lump sum, which was distributed by the general court in the form of quotas among the towns. In September, 1630, the magistrates at Boston ordered that £50 should be collected for the support of the two captains, Patrick and Underhill, and each town was assigned its proportionate quota. In September, 1634, the general court ordered a similar levy for general public purposes, and it was distributed in the same way.[5] This was originally the form of en-

[1] Mass. Recs. ii, 173, 213; iv,[1] 155. Douglas, *op. cit.* 277.

[2] Conn. Recs, i, 548. New Haven Recs. i, 494; ii, 581; Howard, Local Const. History of the United States, 342.

[3] Mass. Recs. ii, 173, 213.

[4] Conn. Recs. i, 549; New Haven Recs. ii, 582. [5] Mass. Recs. i, 77, 129.

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actment in all corporate colonies. It devolved upon the towns the task of assessment and collection. It appears to have continued as the form of levy in Plymouth as long as that colony had a separate existence.[1] It was adapted to the relatively independent position of the towns in Rhode Island, and to the unusually loose administrative methods which obtained there. In that colony the rate seems to have continued in this crude form until about 1695.[2] From a single reference in the records it may be inferred that the assembly, sometimes at least, ventured a "guess" that a penny or a farthing in the pound, as the case might be, would yield the needed sum.[3]

In Massachusetts, however, beginning in 1646, definite provision was made that the country rate should be a tax of one penny in the pound on all visible estate in the colony. Though the towns still continue to be units of levy, the quota system disappears. A common levy was made throughout the colony. The same form of rating was introduced in Connecticut as early as 1650, and by or before 1656 it went into force in the colony of New Haven.[4] By this process the country rate came to mean in any colony, at any given time, a definite amount of revenue. Given a certain list of taxables and a certain valuation of their estates, the amount of revenue which would result, provided it was all collected, would be a fixed sum. It was this sum which the New England legislators had in mind when they voted "a rate." The sum was as truly a fixed one as was that which the English government had in view when in the later middle age it levied a tenth and fifteenth. When a smaller sum was required, a fraction of a rate, for example a half-rate, was levied. Sometimes one or more farthings in the pound, instead of the full penny, was levied. When a larger sum was required than that yielded by a single rate, a multiple of the rate was levied. During Philip's war as many as nine or ten rates were levied by Mas-

[1] Plymouth Recs. iv, 77, 91; R. I. Recs. i, 384, 395, 416. Also a number of rates which follow in this and the next volume for the payment of the charges of John Clarke as agent.

[2] R. I. Recs. iii, 275, 300; Arnold, i, 534.

[3] R. I. Recs. ii, 510.

[4] Mass. Recs. ii, 173. See the Codes of Connecticut and New Haven.

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sachusetts at once. In 1680 four rates were levied, two to be paid in money and two in corn. In 1681 two and one-half rates were levied; in 1683, two rates; in 1684, two rates in money and one in country pay.[1] In Connecticut at the same period the appropriation increased in a similar manner. In 1675 a rate of 12*d.* in the pound, in 1676 one of 18*d.*, and in 1677 another of 8*d.* were levied.[2]

It is a curious fact that every increase in the number of rates which were levied was accompanied by a corresponding reduplication of the poll tax, which always formed a part of the general levy. It might be doubled or trebled; in such a crisis as that of Philip's War it might be increased tenfold. Under such circumstances it became very burdensome, and not unnaturally called forth protests from those who suffered from its imposition.[3]

The administrative process which was necessitated by the imposition of the country rate, was the preparation of the list of taxables, with the estates which they possessed at their estimated value, the correction of these lists, the issue of warrants in accordance with them, and the collection of the tax.

The earliest comprehensive act concerning the mode of levying rates in Massachusetts was that of 1646, reënacted in 1647, 1651, and 1657. The treasurer should issue a warrant to the constable and selectmen of every town requiring the constable to call together the inhabitants of the town. When assembled they should choose one of their freemen, who as a commissioner with the selectmen should make a list of all males in the town who were sixteen years old and upwards and an estimation of their real and personal estates. In the first week in September of every year the commissioners of the several towns in each shire should meet at the shire town, bringing with them the above lists, and there they should be examined and perfected. Then the lists should be sent to the colony treasurer, and the treasurer should issue warrants to the constables of the several towns to collect the specified sums.[4] In 1665 an act was passed providing that merchant strangers, who had been attempting to escape tax-

[1] Mass. Recs. v,[2] 415, 464; v, 45, 76, 81, 88, 139, 296, 324, 417, 454.
[2] Conn. Recs. iii, 493. [3] Douglas, *op. cit.* 278.
[4] Laws, ed. of 1887, p. 25.

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ation by bringing in goods and selling them and leaving the colony between the making up of the tax list of one year and that of the succeeding year, should be assessed by the selectmen of the towns where they were, and according to the value of cargoes they should bring; if they refused to declare these, they should be taxed according to a single rate at any time of the year when they should be present "by will and doom."

Substantially the same system of assessment existed in the other colonies of the group. In Plymouth each town was required to choose two or three men, who should make a list of the ratable estates of the town. When it had been prepared, the town was called together to hear the list read. After the necessary corrections had been made, as the county had not developed in this colony the list was submitted directly to the general court in June of each year. By it the treasurer was ordered to issue warrants ordering the constables to collect.[1] In Connecticut the town lists had first to be examined and equalized by the commissioners of all the towns in the respective counties, and then they were submitted to the general court. In the colony of New Haven either townsmen, or men specially appointed for the purpose, could prepare the list in each town. The lists must be submitted to the May court by the deputies from the respective towns. Each plantation should collect its country rate and pay it to the colony treasurer, as directed by the general court.[2] In Connecticut, at least, towns sometimes neglected to submit their lists, and had to be threatened with fines.

Until 1673 no express regulations seem to have been made by Rhode Island concerning the subject. In the briefest possible terms the towns were ordered to raise their quotas. In the last-mentioned year, apparently forced in part by the repeated failure of their efforts to raise a fund with which to pay John Clarke for his services as agent in England, a rambling, ill-drawn act was passed on the subject of the collection of rates.[3] This act left it to each individual, under an order from his town, to report his

[1] Plymouth Recs. xi, 166, 219, 241. A typical order of the general court for the levy of a rate is that of June 7, 1665. *Ibid.* iv, 91.

[2] Conn. Recs. i, 549 ; ii, 48; New Haven Recs. ii, 581, 582.

[3] R. I. Recs. ii, 510.

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ratable estate. If it should be found by the general assembly that parties — possibly whole towns — had not rated themselves or had not reported the fact, it might appoint men "to guess at their estates, and rate them as they should have done themselves." That all the colonies found difficulty in securing the payment of rates, is shown by their repeated orders on the subject. The right to collect by distraint was generally given to constables. But personal influence or indifference often rendered all efforts ineffective. As might have been expected, Rhode Island had more difficulties in this respect than the other colonies, and her administrative system continued to be too weak to overcome them.

In two of the New England colonies, Massachusetts and Connecticut, counties developed during the seventeenth century. When the revenue which was yielded by the county court in the form of fines and costs failed to meet the necessary expenses, the justices of the court were empowered to levy a rate. The county rate was similar in every respect to the country rate, and the method of assessing and collecting the two was the same.[1] In Massachusetts an elected county treasurer received the revenues, whether in the form of fines, dues, or tax. When a rate was levied, the treasurer issued the warrants under an order from the county court. He was bound annually to account to the court for his use of the funds. With the levy of the country rate the counties had no concern, except as areas for equalization.

The direct taxes were not the only source of colony revenue. In all of them a system of indirect taxation existed as well. They all, with the exception of Rhode Island, resorted to export and import duties and to the excise. About 1645 a tonnage duty was for a brief period levied by Massachusetts.[2] In 1667 and 1679 that colony again levied a tonnage duty, making it payable in the former case in powder and in the latter case in money at the rate of 1*s.* per ton on vessels which traded to and from its ports, but which were not owned in the colony. This was a form of duty which was ultimately resorted to by all the colonies,

[1] Mass. Recs. iv,[1] 184, 259. In Connecticut, under an order of 1671, the county treasurers were appointed by the county courts. Conn. Recs. ii, 163.

[2] Mass. Recs. ii, 107, 131.

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and the revenue from it was in very many, if not most, cases used for the maintenance of fortifications. In 1632 Massachusetts imposed a duty of 12*d.* per pound on beaver that was bought from the Indians; but three years later the act was repealed. Like the beaver trade itself, this form of tax played no great part in the commercial or fiscal systems of the New England colonies.

In 1636 an import duty of one-sixth their value was laid on fruits, spices, sugar, wine, liquors, and tobacco, and for those who intended to retail these commodities the rate was doubled.[1] Commodities in transit and wine which was bought for use by the churches in the communion service, were not subject to this duty. This was the beginning of the system of customs revenue in New England.

With the Puritans the tendency toward police regulations for the repression of drunkenness was strong, though it by no means went as far as to discourage the liquor traffic as a whole. This neutral attitude led naturally to the introduction of the excise on the retailing of liquors. In 1644 the first act on the subject was passed by Massachusetts. The next year it was revised, and a customs duty on wine imported for sale was combined with the excise. The duty was an *ad valorem* rate of one twenty-fourth while the excise was an additional one-twentieth. In 1648 specific duties, varying with the place of origin of the product, were substituted for the uniform *ad valorem* rates. In 1668 cider, mumm, ale, and beer were added to the list of excisable liquors, these all being domestic products.[2] This combination of duties remained as a part of the fiscal system of Massachusetts throughout the colonial period. In 1668 the list of imported commodities which were made subject to duty was greatly increased so as to include not merely wines and liquors, money, plate, bullion, salt, but provisions and merchandise in general. The rate was two per cent *ad valorem*. During Philip's war the rates of duty on wine and brandy were doubled.[3]

Plymouth levied export duties on a number of its domestic products — on boards and planks, barrel and hogshead staves and

[1] *Ibid.* i, 186.
[2] *Ibid.* ii, 82, 106, 246; iv,[2] 365; Colonial Laws, 1887, 69.
[3] Mass. Recs. v, 138.

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headings; on tar, oysters, and iron. This policy was continued from 1662 to the period of the absorption of the colony in the Dominion of New England.[1] At about the time when both Massachusetts and New Netherland were resorting to the excise on the retail of liquors, Plymouth also imposed it, adding tobacco and oil to the list.[2] The immediate object sought was to secure means for defraying the charges of the magistrates' table, but the older officials of this colony may well have remembered the prominent place which was occupied by the excise in the fiscal system of the Netherlands.

Interest attaches to the experiment of Plymouth with a government monopoly in the mackerel fishery at Cape Cod, and also to the enforcement of its royalty over drift whales. In 1646, when the excise was first enacted, a license fee was imposed on fishing at the Cape. In 1661 the rate for non-residents was fixed at 6*d.* per quintal. In 1670 inhabitants of the colony were required to pay 6*d.* per barrel for mackerel brought to shore there, and strangers, 1*s.* 6*d.* per barrel. A water bailiff was specially appointed to collect the impost and enforce the act. In 1677 the colony leased its privileges in this fishery for seven years at £30 per year. In 1684 the treasurer was ordered to lease the fishery for another period of years;[3] and it was leased, though the contract was broken by the lessor before the period had elapsed. For a time the trade to the Kennebec river seems also to have been leased by the colony, but the revenue from that source was temporary and very slight.

On the subject of drift whales there was repeated legislation. In 1652 it was ordered that,

> whereas the publicke charges of the colonie are encreased and whereas by God's providence many whales and other fishes are cast on shore in many ports of this Jurisdiction, out of which the court sees reason to require some part of the Oyle made of them,

one barrel of merchantable oil from every whale thus cast or brought on shore should be delivered to the colony treasurer

[1] Brigham, Laws of New Plymouth; Plymouth Recs. xi, 132, 134.
[2] *Ibid.* ii, 101, 103, 105; xi, 51.
[3] *Ibid.* xi, 131, 228, 231; v 244; vi, 132, 218.

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by the town on whose shores the whale was found. Four years later the town was required to deliver the oil at its own cost at the Boston market. Later still it was proposed to allow the towns to lease this business, but this plan was not executed.[1]

In Connecticut and New Haven the import duty and the excise on liquors were combined in much the same way as in Massachusetts. But in neither of these colonies, during the period under review, was the tariff list extended to include imported commodities in general. With the exception of an import duty on tobacco, which was imposed by Connecticut in 1662, wines and liquors were the only imports on which duties were levied.[2]

In the accessible records of Rhode Island no reference to a customs duty appears until 1700, when a rate of five per cent was imposed upon goods which were imported for sale by persons who were not inhabitants. No provision was made in the act for a custom house, but the duty was made payable to the clerk of the town where the importer or pedler appeared with his goods for sale. He must also submit a true inventory of his goods under oath to the assistant, justice, or warden of the said town. The penalty of violating the act was forfeiture, the same to be enforced by the town sergeant, and return thereof should be made to the recorder of the colony. No provision whatever was made for a custom house for the colony. It is safe to say that nowhere, even among the laws of Rhode Island, were the powers of the town extended farther beyond their customary sphere than in this instance.[3] We are told that many orders were issued for the levy of an excise in Rhode Island, but of these only the act of 1669 appears to have survived.[4]

By the first act imposing a customs duty in Massachusetts provision was made for a collector, though the title was not conferred in the law. He was to be appointed by the governor and council,

[1] Plymouth Recs. xi, 61, 66, 114, 132, 138, 207.

[2] Conn. Recs. i, 332, 380, 383, 396; New Haven Recs, ii, 145, 591. The duty on tobacco was imposed in order to check its importation from the southern colonies, while really in transit for Europe. The act had as its ostensible purpose coöperation with England in the enforcement of the acts of trade.

[3] R. I. Recs. iii, 422.

[4] *Ibid.* ii, 252.

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and was empowered to have deputies. He was put under oath.[1] He should survey all vessels in the harbors of the colony, and search all warehouses and places where goods subject to the duty might be stored. Forfeiture of the goods was made the penalty for smuggling. The sums collected by the customs officers must be paid over to the treasurer of the colony, and with the last-named officer rested the authority to levy by distress, if payment was unduly delayed or was refused. The act of 1636 provided that the collector should receive as his reward one-third of what he collected. After 1648, however, the collection, first of customs on wines and later of those on all other liquors, together with the excise, the fur trade, and the sale of ammunition to the Indians, was farmed out for periods of three or five years. At first the sum of £120 per year was paid by the farmer for the privilege, but the sum was gradually increased until, in 1668, £600 per year were offered.[2] Under this system the farmers were the collectors, and they were concerned with the excise as well as with the customs.

According to the law of 1645 the invoices of imported liquors had to be sworn to before the governor or deputy governor, while by the law of 1648 stricter regulations were made concerning the duties of the collector. These were slightly modified both ten and twenty years later, the chief officer, in imitation of English usage, being known as the customer, and his deputies as searchers and waiters. Constables and other officers were required to assist them in the work of search and seizure.[3]

In Connecticut, by the act of 1659, customs officers were designated for nine settlements along the River and Sound, and the fees which they were to receive for their services were specified.[4] As time passed offices of this class were limited to the two or three leading ports on the Sound.

In all the colonies, with the possible exception of Rhode Island,

[1] The oath of Bendall, the first "customer," is in Mass. Recs. ii, 284. See *ibid.* iv,[1] 10, 193.

[2] *Ibid.* iv,[1] iii, 112, 327; iv,[2] 315, 366, 398, 495. Richard Way, who took the contract at the last-mentioned sum, three years later, had to plead for an abatement in order to prevent a total loss of his profit.

[3] Mass. Col. Laws, 1887, 68. [4] Conn. Recs. i, 332.

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defence was the principal object of expenditure. This involved the payment of wages of soldiers and officers, payment for their supplies, for such stockades or forts as might be built by the colony, pensions and other forms of support for wounded soldiers and their families and for the families of those who had been slain. The support of the militia captains appears among the earliest objects of appropriation in Massachusetts. In September, 1634, the treasurer was ordered to furnish such money as the commissioners of defence should require. A year later Ludlow was expending money on Castle island for which he was ordered to account to the treasurer and Mr. Nowell. For these purposes personal service was also impressed, and that on a considerable scale, in 1635. Many instances occur of the advance of money to towns to be used by them in building breastworks or other defences. It was in 1637, to meet the debts incurred on the Pequot expedition, and as the result of other measures of defence, that a rate of £1000 — the largest at that time levied — was imposed.

Each of the successive expeditions against the Indians of course occasioned votes of supplies by all the colonies concerned. The expedition of 1645 and the preparations for that of 1664 against the Dutch, occasioned such appropriations.[1] Toward the former expedition Plymouth appropriated £70. Of this nearly one-half was to be paid by the towns directly to their soldiers, and the remainder was to be expended through the office of the colony treasurer.[2] The earliest rates which were levied by the river towns were intended to meet the cost of the expedition against the Pequots. The building and repair of the fort at Saybrook was another important object of expenditure.[3] Charges for the maintenance of the fort and of the castle in Boston harbor appear at frequent intervals in the records.[4] The most detailed among the yearly acts for the levy of rates in Rhode Island was that of 1667 for the improvement of the defences of Newport, and to repair the arms of its inhabitants and secure a new supply.[5] A

[1] Mass. Recs. i, 129, 138, 158, 165, 209; ii, 124; iv,[2] 121, 123.
[2] Plymouth Recs. ii, 91. [3] Conn. Recs. i, 11, 12, 95, 139, 161, 235.
[4] Mass. Recs. i, 231; ii, 255, 260; iii, 5; iv,[1] 281; v, 204, 222.
R. I. Recs. ii, 196.

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part of the cost of supplying arms was in all the colonies imposed on the towns, but a colony magazine was also in most cases maintained. Cannon were purchased by the colony.

It was in connection with Philip's war that expenditures for military purposes attained by far their largest development. This has been indicated in what has already been said concerning rates. In March, 1676, Plymouth levied by quotas on the towns what was for her the unprecedented sum of £1000. This was to be expended in clothing and provisions for the soldiers. Shortly after this the sum of £121, 10*s*., which had been contributed by "Christians in Ireland" for the relief of those who had been impoverished by the war, became available, and was distributed among the towns. Rehoboth and Dartmouth received the largest share. In June, 1677, a committee was appointed by the general court to hear claims against the colony on account of the war and report, so that the debts of the colony might be known.[1] According to accounts which were submitted to the Commissioners of the United Colonies, Plymouth, through its towns and through the office of the colony treasurer combined, had expended £11,743 upon the war. Massachusetts reported an expenditure of £46,292.[2] Three rates, which were levied by Connecticut during the years 1675 to 1677, yielded a total of £23,185.

The extent to which Plymouth, during and after the struggle, devoted its resources to the support of those who had suffered injury or loss in consequence of it, is remarkable. On that occasion a pension system was developed on a larger scale than appears elsewhere during the entire colonial period. Plymouth, as early as 1636, had enacted that if any one should return from military service maimed, he should be maintained by the colony for life.[3] During Philip's war she made many grants to wounded soldiers and to the widows and families of those who were slain. In October, 1675, £60 were granted to Theophilus Witherell, who had been wounded in the war and made a cripple for life. By the same court £10 from the profits of the fishery at Cape Cod were granted to the widow and children of John Knowles,

[1] Plymouth Recs. v, 191, 222, 234; vi, 118.
[2] Recs. of the United Col. in Conn. Recs. iii, 492, 493, 502.
[3] Plymouth Recs. xi, 182.

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who was a recent victim. Two other widows received grants at the same time.[1] Many other similar instances might be cited. A special grant of land was made to Captain Gorham for his services.

The Massachusetts court, in October, 1678, granted to Richard Russ, who had been wounded in the war, the sum which the curing of his wounds had cost him.[2] Several other cases of such grants are recorded, but they are not relatively so numerous as in Plymouth. Rewards for public service in Massachusetts, whether rendered in peace or war, not infrequently took the form of exemption from rates, or the grant of special gratuities. This leads directly to the consideration of another object of expenditure, the reward or salaries of public officials.

A generation or more passed after the founding of the New England colonies before what can be called a salary system began to develop. Gratuitous service, or service without definite expectation of reward, was long rendered by many of the early magistrates of those colonies. In New England, as among the other colonies, fees formed an important part of official reward, especially for all who were in any way connected with judicial business. As a class the clergy were the first to receive salaries. Magistrates and clergymen were also regularly exempted from the payment of rates. Special services, whether in war or in civil life, were not infrequently followed in Massachusetts by exemption from rates. In 1636 Nowell, the secretary, was permanently exempted from their payment. After the Pequot war Stoughton was exempted for one year. In 1639 the property of Cradock was exempted, because of the expense which he had borne in the building of a bridge. In 1653, the estate of Governor Dudley was exempted from a rate. In 1668 the people of Marblehead, because of a poor fishing season and of the charge which the town had incurred in building a battery, were exempted from a single rate. Certain inhabitants of towns which suffered severely in Philip's war were temporarily exempted; for example, residents in Medfield and Hatfield. The town of Lancaster was

[1] *Ibid.* v, 177, 241, 271; vi, 18, 32, 40, 52, 65, 88, 93, 106, 130, 188.
[2] Mass. Recs. v, 206,264, 280, 282, 283, 298.

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exempted by order of 1682 for two years. Its share in two rates was allowed to Sherborn as an aid toward the building of a meeting-house for the town and a house for the minister. In response to a petition the selectmen of Boston, in February, 1684, were empowered to abate the rates of such as had suffered by the recent fire. In 1685 John Fiske of Wenham, because he had been disabled by wounds in the late Indian war, was permanently exempted from country rates.[1]

Reward for public services also took the form of special grants. This was the germ from which the system of salaries developed. At the May court in 1632 Winthrop, who had been granted no salary, stated that he had received gratuities from individuals and from several towns; but he did so with trembling, because of God's law and of his own infirmity.[2] He declared that he would take no more, except from assistants or from particular friends. In July of the following year, it was voted to give him £150 toward his charges for the year, and that he be repaid the sum — between £200 and £300 — which he had advanced for the payment of officers' wages and to meet other public charges. In September, 1634, through a committee which was appointed to audit his accounts, Winthrop reported that, during the four years of his official service, he had expended £1200 in excess of what would have been necessary if he had remained in private station. In return he had received his salary of £150 and gratuities to the amount of £100 more.[3] He made no demand, however, for a salary. In 1636 a stipend was fixed on the marshal which, with his fees, would amount to £40 per year. In 1637 £100 was allowed as the governor's salary, "the same allowance to be given to the succeeding governor as a settled stipend." In 1638 it was enacted that each town should bear the charges of its magistrates and deputies during the sessions of the general court, and the daily rate of their wages was fixed. The next year it was ordered that the cost of their "diet and lodging" should be paid out of the revenue from the fines. Thus a practice was established in reference to these items of expenditure which was widely followed

[1] Mass. Recs. i, 182, 215, 257; iv,[1] 174; iv,[2] 377; v, 182, 188, 341, 345, 433, 471.
[2] Winthrop, Journal, i, 92; Mass. Recs. i, 106.
[3] Mass. Recs. i, 130.

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by the colonies. In 1644 the governor was receiving a salary of £100. In 1645 the deputy governor was receiving an allowance of £50. From time to time gratuities were added to these sums.[1] When agents were sent to England, their expenses were paid and they received special remuneration. This was the practice in all the colonies.

In 1653 something which might be called a salary system was established by law, as a means, however, of reducing rather than increasing expenditure.[2] This provided that magistrates who had been in office ten years should be allowed £30 per annum, and from this should pay all their expenses while in attendance on courts. Magistrates who had served less than ten years should receive £20 per annum; persons who hereafter should be appointed to the magistracy should receive £15 a year. The governor should be paid, "from year to year," £120, and this was for himself and his "attendants." The salary of the secretary was fixed at £45. In 1651 the allowance of the secretary was fixed at £40. In addition he was entitled to fees for transcribing documents for the towns and individuals.[3] In 1659 his salary was increased to £60 per year. That of the surveyor general had been fixed, as two years before, at £5 per annum. The charges of the county courts, including judges, juries, and officers, must be met from the actions arising in those courts.[4] The wages of jurymen were prescribed in this act. Towns should continue to pay the wages of their deputies to the general court, but towns of not more than thirty freemen might send deputies or not, as they chose. In 1654 the salary of the clerk of the deputies was declared to be £16 per annum, he bearing the expense of his food and lodging.[5] We know that Commissioners of the United Colonies received wages for their services. The inference is that officers like the treasurer, who were not mentioned in this act, were supported by fees, receiving, it may be, an occasional gratuity in addition. The rates of fees were, in all cases and in all

[1] *Ibid.* i, 182, 215, 228; ii, 53, 116, 136, 165, 194, 271; iv,[1] 4, 35, 46, 65, 66, 68, 74; iv,[2] 75, 88, 113. [2] *Ibid.* iv,[1] 154. [3] *Ibid.* iv,[1] 63, 391.

[4] *Ibid.* 185. The rates of salary had not been greatly changed when Randolph was in Massachusetts in 1678. Toppan, Randolph, iii, 11.

[5] Mass. Recs. iv,[1] 206.

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the corporate colonies, determined by the general court or by officials whose responsibility to the court was clear and definite. Under the corporate system the question of fees, which caused so much dissension between the executives and assemblies in the provinces, could not arise.

It thus appears that salaries in colonial Massachusetts were very moderate, and in the gross they amounted to only a small sum. They were, however, supplemented by some fees and by gratuities. But of greater importance than the gratuities in money were the grants of land which were repeatedly made to leading magistrates and their favorites, especially to Winthrop, Endicott, Bradstreet, Symonds, and Rawson; so also to a less extent to others. Land was the form of wealth in which the colony could most easily discharge its obligations. Its bestowment did not increase taxation or lessen revenue. Symonds and Leverett were also buried at the public expense.

In the early records of Plymouth colony entries appear to the effect that wages of officials should be paid in commodities, at certain rates, but the amount of wages and the officers to whom they were paid are not specified. While in session, the magistrates were boarded and lodged at the public expense. To the contracts which were made with private parties relating to this, several references appear.[1] As in the other colonies, gratuities were bestowed as rewards for unusually prolonged or faithful service. In 1651 and 1652 a gratuity of £20 was granted to Mr. Collier, who had long been an assistant and did much public business. In 1659, because of his advancing age and his continued occupation with business, he was allowed a servant at the public expense.[2] In 1660 £10 were granted to John Alden, whose estate was small, but who for many years had devoted himself to the service of the colony.[3] Among the propositions which were considered in 1665 was one to the effect that the governors should thereafter be allowed £50 or £60 per annum, and that the assistants — five in number — should receive £20 yearly and bear their own charges.[4] The plan was not adopted. In 1673, however,

[1] Plymouth Recs. iii, 120; v, 38, 124; vi, 93.
[2] *Ibid.* ii, 169; iii, 14, 51, 74, 166.
[3] *Ibid.* iii, 195.
[4] *Ibid.* iv, 102.

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the sum of £50 was granted to Governor Josiah Winslow, as "his sallery or gratuity . . . for this present year."[1] The form of this grant shows very clearly how gratuities developed into salaries. When the gratuity became the subject of regular annual grant, it was a salary. Not until about 1690 do we have proof that a salary system existed in Plymouth. In that year allowances were made to the governor, the deputy governor, the secretary, to each of the assistants, to the chief marshal and the under marshal.[2] The deputies, in Plymouth as elsewhere, had long received daily wages.

Reference to the other New England colonies will involve mainly a repetition of what has been stated concerning Massachusetts and Plymouth. In all of them the advance was through gratuities to salaries, and the sums involved were very small. The governor was the officer who first received a salary. Grants were also made after 1660 in Connecticut to the secretary, the treasurer, the deputy governor, the marshal. The records of New Haven refer only to definite annual grants to the governor and deputy governor. About 1670 £150 was the customary salary of the governor of Connecticut. The governor of New Haven never received more than £50 per year. The backwardness of Rhode Island in such matters is illustrated by a vote of the assembly in 1698.

> This Assembly having considered the great charge and expense that our Honored Governor is daily at on the Colony's concerns, have enacted . . . that there shall be added to the Governor's sallary the sum of twenty pounds per annum, so that the whole sum shall be thirty pounds, to be paid out of the Generall Treasury upon demand.

The salary and other expenses of agents who were sent to England, were burdens which all the colonies had occasionally to bear. In a few cases such outlays were met by private contribution, but the agency came generally to be regarded as a public function, the cost of which must be met from the treasury of the colony.[4] The object of such expenditure being remote, the colo-

[1] *Ibid.* v, 124. [2] *Ibid.* vi, 245. [3] R. I. Recs. iii, 345.
[4] Mass. Recs. ii, 162, 218; iii, 79; iv,[1] 65.

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nists often met it with less willingness than they did other costs of government. But the expenditures of Governor Winthrop in procuring the charter of 1662 were met by a special rate for three years of a penny in the pound. We are told, however, that many were unwilling to pay Mr. Whiting for his services on behalf of Connecticut in 1686.[1] Rhode Island failed to pay all the expenses of Roger Williams, while a bill of John Clarke for services as agent in procuring the Rhode Island charter of 1663 remained unpaid when he died in 1676. Proof is lacking that it was ever paid. Repeated efforts were made by the levy of rates and the appointment of committees to secure the payment of this debt, but the independence of the towns, combined with general indifference, proved stronger than the sense of public obligation.[2]

In the Puritan colonies the support of the ministry, the building and repair of churches and the support of schools, were regular objects of public expenditure. This burden, with the building and repair of roads and bridges, the building and repair of jails, the care of the poor and the support of local officials and courts, rested mainly on the localities. Laws making such expenditures obligatory abound. But on occasion supplementary grants were made from the colony treasury. By Massachusetts, in 1640, the ferry between Boston and Charlestown was granted to Harvard College. The original grant of money by the general court for the founding of the college was £400, one-half of which was to be paid when the work was finished. The payment of this grant, however, fell greatly into arrears. Later, grants were made for the support of the president, and for other expenses of the college, a few of them being in the form of land. But the college was chiefly supported by contributions from the four distinctively Puritan colonies and from England. In 1655 a project was broached for the establishment by similar means of a college at New Haven; but it came to nothing.[3]

Under the act of 1642 the towns of Massachusetts began their

[1] Conn. Recs. ii, 231; iii, 237.

[2] R. I. Recs. ii, 77–80, 131, 181, 514; iii, 22; Arnold, i, 313.

[3] Mass. Recs. i, 183, 304; iv,[1] 30, 91, 178, 186, 312, and many later entries stating the grants of salary to the president; Quincy, History of Harvard College, i. 22, 27, 31; Clews, Educational Legislation and Administration of the Colonial Government.

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expenditures for elementary and grammar schools, the same policy being followed in the other three colonies. Special efforts were made for the founding of a colony grammar school at New Haven, the general court conditionally appropriating £100 for the purpose. But this scheme did not prosper. Massachusetts occasionally made grants of land for the endowment of grammar schools, and Connecticut, in 1672, set apart six hundred acres of land in each to be used for this purpose.[1] In 1671 the general court of Plymouth voted to devote the revenue which arose from fishing at the Cape to the support of a free grammar school at the town of Plymouth. With this fund a school was soon started. In 1678 a grant of £10 was made toward the support of a school at Rehoboth. Grants came regularly to be made out of the fund from the fishery, both to the schools in these towns and to one in Duxbury.[2] The support of both the grammar and the elementary schools continued to be mainly a local charge. Towns which failed to maintain them, as required by law, were liable to fine. Of activity on the part of the colony government in Rhode Island in support of education, we hear nothing.

For the purposes of the present discussion it is not necessary to refer at greater length to local revenues or expenditures. The chief objects of colonial expenditure have been sufficiently reviewed. In addition service was rendered to the colony by messengers who were sent to the Indians or to other colonies, by persons who furnished entertainment or means of conveyance for officials or agents of the colony when in the public service, by those who assisted in emergencies like that of the hue and cry, by laborers on public works of all kinds. An instance of a large extraordinary payment is that which was imposed on the River Towns by the purchase of Saybrook. In Massachusetts a clergyman or magistrate was occasionally paid a sum for answering some heretical publication or producing a specially valued book. The services of the clergy as advisers or of others in preparing codes of laws also called for special recognition.

Payments from the colony treasury had therefore to be made

[1] New Haven Recs. ii, Index under Education and Schools; Conn. Recs. i, 554; ii, Index, Schools.

[2] Plymouth Recs. v, 107, 259; vi, 19, 31, 81, 102; xi, Index, Schools.

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each year in small sums to a considerable number of individuals who, taken together, had performed a large variety of miscellaneous services for the public. The general courts, however, were not in the habit of passing annually a single itemized appropriation act, as came to be the custom in some of the provinces. Scattered through the court records, particularly of Massachusetts, appear special orders for the payment of sums to a designated individual and for a specific service. These orders were often framed in response to petitions. John Ruddock petitions for payment for the services of himself and horse on a journey on behalf of the colony to Connecticut, and payment is ordered.[1] Specific sums are granted for meals and lodgings of magistrates, deputies, or governor's men, as the case might be.[2] Payments are ordered in similar form for arms and ammunition. Salaries and wages, not only of officials but of those who are engaged on building or repairing a prison, a fort, or other public structure, are usually stated in precise form. The general assembly of Rhode Island in May, 1664, for example, ordered four payments, each for a distinct and specific service. More than twenty such payments were ordered during the session of October 26, 1670.[3] Entries of this kind are not so common in the records of the other corporate colonies, but such fragments of treasurers' accounts as have been preserved indicate that payments were made in the same specific form.[4]

In many, if not most, cases the objects for which rates were to be expended were not definitely stated in the orders for their levy. The purpose of the regular annual rate was very often stated to be the payment of the debts of the colony. When a rate was levied for a specific purpose, as the outfit of a military expedition, the fact was usually stated in the order.

In the corporate colonies the official who had immediate charge of the revenue from all sources and of its expenditure was the treasurer. As there was no private or territorial revenue, distinct from that which went into the public chest, the office of receiver general does not appear. In the case of the Massachu-

[1] Mass. Recs. iv,[1] 191. [2] *Ibid.* ii, 116, 117.
[3] R. I. Recs. ii, 51, 365. [4] See especially the Records of Plymouth.

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setts company the office of treasurer existed in England. He was there annually elected by the general court of the company. He continued to be so elected after the removal into Massachusetts, and the same was the practice in all the other corporate colonies. William Pynchon was the first treasurer of the colony of Massachusetts of whom we have record, though we do not know when he was elected.[1] In September, 1634, William Coddington took the oath of office as treasurer. He was succeeded in 1636 by Richard Dummer, and in 1637 by Richard Bellingham. Bellingham was the next year chosen an assistant, but whether he was continued in the office of treasurer, the record does not state.[2] Both Richard Russell and James Russell held the two offices at the same time.[3] But no record of another election of treasurer appears until 1640, when William Tyng was chosen. He was annually reëlected until 1645, when Richard Russell was chosen in his place.[4] The latter also was annually reëlected till his death in 1676, probably the longest tenure of the same office in the history of Massachusetts as a corporation. In 1677 Captain John Hull was chosen treasurer, holding the office until 1680, when James Russell, the son of the former treasurer, was elected as his successor and continued in the office until the dissolution of the corporation.[5] In Plymouth Miles Standish held the office from 1644 to 1656. He was then succeeded by John Alden, who served for three years. After that Constant Southworth was annually reëlected until 1678, the year of his death.

In the other colonies of New England the office of treasurer was among the earliest which were created.[6] In all cases he was chosen in the court of election. His duties were to issue warrants for the collection of taxes, to receive and keep the public revenue, from whatever source it came; and to pay it out under order from the general court or from magistrates to whom such authority might be delegated. According to the terms of Mas-

[1] Mass. Recs. i, 136. In 2 Mass. Hist. Colls. viii, 228, are the accounts of Pynchon as treasurer, rendered in 1636. They are for 1632–1633 and part of 1634.

[2] Mass. Recs. i, 129, 175, 195.

[3] *Ibid.* iv,[2] 417; v, 27, 77, 265.

[4] *Ibid.* i, 288, 333; ii, 97.

[5] *Ibid.* v, 131, 265.

[6] Plymouth Recs. i, 48; xi, 7; Conn. Recs. i, 12; New Haven Recs. i, 51; R. I. Recs. i, 148, 197; Mass. Col. Laws, 1887, p. 196.

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sachusetts law no disbursement could be made except under the authority of some law, order, or settled custom of the general court or assistants. The same was true in all the corporate colonies. In their case there could never be any doubt that both the exclusive power to appropriate revenue and to direct its expenditure belonged to the general court. The treasurer was not under a divided control, as was often the case in the provinces, but was the servant of the general court.

In all the corporate colonies the control of the legislature over the finances, and especially over expenditures, was maintained through a system of audit. This they inherited from the trading corporations in England. In Massachusetts the treasurer was by law obliged to account yearly, at the time of the court of election, to the general court or to such persons as it should designate. As early as 1644, and probably earlier, the same system was in operation in Plymouth. By order of 1638 the treasurer of Connecticut was forbidden to pay any bills which had not been "alowed" by the proper committees. By a law of 1647 the treasurer of the Providence Plantations was required to account to the general assembly.[1]

The references, year by year, in the legislative journals to the appointment of committees of audit show that the obligation was maintained. By the Massachusetts court of election in 1640 Nathaniel Johnson and Captain Robert Sedgwick were appointed to join with the new treasurer, Mr. Tyng, in examining the accounts of the former treasurers. The accounts of Tyng were examined in 1644 and accepted.[2] Thus, in general, the custom continued through the century. Its continuance can be traced in a similar manner in the other corporate colonies. The oath, as administered to the treasurer of Plymouth in 1659, provided for the annual audit. In 1658 the town of Scituate in Plymouth colony petitioned the court that the accounts of the treasurer might be sent to the several towns. It was therefore ordered that town auditors might meet with the others for the purpose of examining his accounts, and report thereon to their towns.[3] It is prob-

[1] Mass. Col. Laws, 1887, p. 151; Conn. Recs. i, 26; Brigham, Laws of New Plymouth, 77; R. I. Recs. i, 197.

[2] Mass. Recs. i, 288; ii, 73, 79. [3] Plymouth Recs. xi, 142, 211.

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able that this practice was continued after that date. In Rhode Island we hear of separate audits of accounts of the recorder, or secretary, and of the sergeant or sheriff.

But there is abundant evidence that the same faults which characterized the system of colonial administration as a whole, appeared in the audit of accounts. Long delays frequently occurred, sometimes the work was loosely done or not done at all. It was the same way with the collection of revenue, and delays in the audit were often caused by delays in collecting. In 1645 Massachusetts created the office of auditor general, with a salary of £30 per annum, and he was given very full powers with the purpose that he should cause exact accounts of the colony's finances to be kept and rendered.[1] Entries appear from time to time respecting his employment, alone or with the treasurer and others, in the examination of accounts. Committees of audit, however, were still appointed by the general court. In May, 1654, we find that, though a committee had been appointed the year before, the task of auditing the accounts had not been completed, because the constables of several towns had not yet collected all the rates. The audit was therefore postponed until the next session of court. The August session passed without reference to the matter, but in the October session a committee was appointed to examine the treasurer's accounts immediately after adjournment, so that the report might be published for the satisfaction of the colony. In November of the next year an order was passed that constables should clear their accounts with the treasurer annually by May 1st. The office of auditor general was apparently found not to be so useful as it was expected to be, and in 1657 it was abolished.[2] Thenceforward its duties were performed by the treasurer in conjunction with annual committees of audit.[3]

The assembly of Rhode Island in May, 1670, after struggling with protracted delays in the payment of rates, and consequent inability to pay the debts of the colony, passed an act and ap-

[1] Mass. Recs. ii, 141, 148, 162, 226.

[2] *Ibid.* iv,[1] 186, 202, 247.

[3] References to the appointment of such committees abound in volumes iv[2] and v of the Massachusetts Records.

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pointed a committee for the general audit of accounts.[1] The powers and procedure of the committee were set forth with unusual fulness. They were ordered to extend their inquiries at least as far back as 1664, and to include the rates which were levied to defray the cost of the charter. All who had claims against the colony were instructed to apply to them. If the account of any town was found defective, the auditors should order the collection of its deficit. At first the committee, which consisted of four persons chosen, according to Rhode Island principles, equally from the four towns, was prohibited from acting except with the unanimous consent of its members and in the presence of all. The member from Providence stayed away or otherwise hindered proceedings until, in October, the assembly was forced to drop the requirement for unanimity of consent. Later entries indicate that some progress was made by the committee, but we do not know whether or not its work was ever completed.

HERBERT L. OSGOOD.

[1] R. I. Recs. ii, 303, 358.

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THE AMERICAN POLITICAL SCIENCE ASSOCIATION.

THE interests of political science, political economy, and history are so closely related that an attempt wholly to separate them, or to pursue their study as absolutely independent subjects, would be as practically impossible as it would be undesirable. Of the relation between history and political science it has been said by the late Sir John Seeley that politics without history has no root, and that history without politics has no fruit. The connection between economics and politics is, if anything, more intimate. Without the information that the study of economic principles and of economic history affords, the political scientist is unable either to explain many of the processes of political growth or wisely to determine lines of public policy. Upon the other hand, deprived of the knowledge furnished by the scientific study of the mechanism and methods of operation of governments, the economist finds himself insufficiently informed either correctly to analyze past and existing economic conditions or satisfactorily to devise the means by which the truths that he discovers may be made of practical advantage to mankind.

And yet, intimate as are these relationships, the field of political science is one that may be clearly distinguished from that of history as well as from that of economics, and the topics which the field includes, in order to be treated adequately, need to be studied as distinct subjects of inquiry.[1] It is true that to a very considerable extent the phenomena dealt with by the historian, the economist and the political scientist respectively are the same, but each examines his material from a different standpoint. The historian has for his especial aim the determination and portrayal of processes and stages of human development. With economic and political interests he is concerned only in so far as it is necessary for him to understand them in order to explain the move-

[1] The establishment of this QUARTERLY, in 1886, naturally raised the same questions which are here discussed, *viz.*, the interdependence of all the social sciences and the existence of a distinct science of politics. See Munroe Smith, "The Domain of Political Science." POLITICAL SCIENCE QUARTERLY, vol. i, p. 7. — EDS.

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ments he is studying. So also with the economist. His primary interest is in the ascertainment of the principles that control the production, exchange and distribution of wealth; and he finds it necessary to enter upon political ground only in so far as government has an influence upon economic conditions, either by reason of its cost, the economic security that it gives, or the manner in which it directly interferes, or may directly interfere, in the regulation of the industrial interests of the people. Thus, since neither the historian nor the economist is primarily interested in the study of matters political, it is necessary, in order that these matters should receive adequate scientific treatment, that they should be studied by those whose special interest in them is upon their political side.

Comprehensively stated, then, political science has to deal with all that directly concerns political society, that is to say, with societies of men effectively organized under a supreme authority for the maintenance of an orderly and progressive existence. Restrictively stated, political science has to deal primarily only with those interests or phenomena that arise because of the existence of political relations.

The definite field thus marked out for the political scientists is divisible into three parts. First, there is the province of political theory or philosophy, the aim of which is the analysis and exact definition of the concepts employed in political thinking, and which thus includes the consideration of the essential nature of the state, its right to be, its ends, its proper functions and its relation to its own citizens, and the nature of law. Secondly, there is the domain of public law, including as its subdivisions constitutional, international and administrative law. Thirdly, there is the general study of government, its different forms, the distribution of its powers, its various organs — legislative, executive and judicial, central and local — and the principles governing its administration. The subdivisions of these larger subjects readily suggest themselves. Furthermore, all these topics, chief and subordinate, of course lend themselves to theoretical, descriptive, comparative or historical treatment, and nearly all involve, or at least lead up to, the discussion of practical problems of goverment.

The foregoing description of political science is sufficient to in-

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dicate not only the propriety, but, in the interest of scientific progress, the necessity of recognizing the study of matters political as an independent discipline. Within recent years this recognition has been increasingly extended in this country, as has been especially shown in the creation in our colleges and universities of departments and chairs of politics as distinct from those of history and economics. Not until December 30, 1903, however, did this recognition lead to the establishment of a political science association whose exclusive interests should be political in character. Upon that date there was established at New Orleans, Louisiana, at the time when the American Historical and American Economic Associations were holding their annual meetings in that city, an association whose title is "The American Political Science Association" and whose object is, as its constitution declares, "the encouragement of the scientific study of politics, public law, administration and diplomacy."

The need for such an association as this, which should do for political science what the American Economic and American Historical Associations are doing for economics and history respectively, had been felt for a number of years. Direct action leading to its establishment was not taken, however, until December 30, 1902, when, at a meeting called primarily to consider the feasibility of creating a society of comparative legislation, there was suggested and discussed the necessity for a national association that should have for its sphere of interests the entire field of political science. The outcome of this discussion was the appointment of a committee of fifteen representative political scientists which was empowered to enter into communication with such individuals and associations as should be thought likely to be interested, with a view to discovering, if possible, how general was the demand for a new association.[1] As the result of its in-

[1] The composition of this committee was as follows: J. W. Jenks (Chairman), Cornell University; Simeon E. Baldwin, New Haven, Conn.; E. Dana Durand, Washington, D.C.; J. H. Finley, New York City; W. W. Howe, New Orleans; H. P. Judson, University of Chicago; M. A. Knapp, Washington, D.C.; C. W. Needham, Columbian University; P. S. Reinsch, University of Wisconsin; L. S. Rowe, University of Pennsylvania; F. J. Stimson, Boston; Josiah Strong, New York City; R. H. Whitten, Albany, N.Y.; Max West, San Juan, Porto Rico; W. W. Willoughby, Johns Hopkins University.

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vestigation, this committee found existing, among those primarily interested in the scientific study of matters political, an almost unanimous demand for the establishment of a new national association that should take the scientific lead in all matters of political interest, encouraging research, aiding if possible in the collection and publication of valuable material, and, in general, advancing the scientific study of politics in this country. An opinion, equally general, was found to exist that the new association, if and when established, should maintain the closest and most harmonious relations possible with the American Historical and American Economic Associations, and, whenever possible, hold its annual meetings at the same times and places with them. Such a coöperation, it was declared, would be beneficial to the two older bodies and vital to the new one.

Upon these facts being presented at a meeting of those interested, in the Tilton Memorial Library of Tulane University, December 30, 1903, there was established, as has been said, The American Political Science Association. As its first president was elected Dr. Frank J. Goodnow, professor of administrative law in Columbia University. As vice-presidents were elected President Woodrow Wilson,[1] Professor Paul S. Reinsch of the University of Wisconsin, and Hon. Simeon E. Baldwin of New Haven. Professor W. W. Willoughby of Johns Hopkins University was elected as the secretary and treasurer. Associated with these officers in the government of the association there were elected the following members of an executive council: Andrew D. White, ex-ambassador to Germany; Jesse Macy, professor of political science, Iowa College; H. P. Judson, professor of political science, University of Chicago; L. S. Rowe, professor of political science, University of Pennsylvania; Albert Shaw, editor of the *Review of Reviews;* Bernard Moses, professor of political science, University of California; J. A. Fairlie, professor of administrative law, University of Michigan; W. A. Schaper, professor of political science, University of Minnesota; C. H. Huberich, professor of political science, University of Texas; and Herbert Putnam, librarian of Congress.[1]

In order effectively to cover the whole field of political science,

[1] Declined.

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the association expects to distribute its work among sections, each of which will devote its especial attention, respectively, to international law and diplomacy, comparative legislation, historical and comparative jurisprudence, constitutional law, administration, politics and political theory.

The association, as such, according to a provision of its constitution, will not assume a partisan position upon any question of practical politics. This means, of course, that, though at its annual meetings and in its publications it will give the freest opportunity possible for the discussion of current questions of political interest, it will not, as an association, by a resolution or otherwise, commit itself or commit its members to any position thereupon.

Any person may, upon application to the secretary, become a member of the association. The annual dues are three dollars. By the payment of fifty dollars one may become a life member, exempt from annual dues.

By those who have been most active in its establishment, it is declared that this new association is intended and expected to attract the support not only of those engaged in academic instruction, but of public administrators, lawyers of broader culture, and, in general, of all those interested in the scientific study of the great and increasingly important questions of practical and theoretical politics. Affiliated with the American Historical and the American Economic Associations, it is asserted that a trinity of societies has been created that will be able to assume and maintain a leadership in these allied fields of thought that can be subject to no dispute. It is believed that, just as the establishment of the two older of these bodies marked the beginning of a new period in the scientific study in America of the subjects with which they are concerned, so the creation of the American Political Science Association will, in years to come, be looked back upon as at once indicating the definite recognition of the fact that political science is a department of knowledge distinct from that of the other so-called social sciences, and as marking the commencement of a new period in the scientific study and teaching of matters political in the United States.

W. W. WILLOUGHBY.

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THE ADMINISTRATIVE LAW OF THE UNITED STATES.[1]

THE publication of a book upon the administrative law of the United States, particularly when that book appears under the title *Administrative Law*, is a sufficiently noteworthy event to justify, if not to demand, extended comment. Such comment is particularly necessary when the book comes from the pen of a member of the Harvard Faculty of Law, which has not heretofore shown an active interest in the study of public law except in so far as that law has been studied in close connection with the protection of private rights. The appearance under such auspices of a thoroughly legal book on the subject of administrative law is evidence of the fact that there is an administrative law in the United States which is sufficiently important to demand treatment from those who are responsible for the instruction of students who intend to become practising lawyers.

Mr. Wyman's book arouses in the mind of the reader mingled feelings of admiration, gratitude and regret: admiration for the way in which most of the work has been done and gratitude for the vast mass of information which has been made accessible to the students of the distinctly legal side of administration; regret that the author should have so narrow a conception of his subject and that a certain lack of political insight or an ignorance of fundamental principles of political science should have befogged his mind in treating subjects which, to be treated successfully, must be set forth with clearness.

The book seems to be based upon the theory that there can be no administrative law where there is not a thoroughly centralized administration — a hierarchy of superior and inferior officials in which the superior officials have the right to direct and supervise the actions of those inferior to them. Administrative law is defined as consisting "of those rules which govern the executive department in the administration of the law." It will be noticed that this definition does not include the law governing all the officers who are to execute the law, but only the law governing the executive department. This use of the words "executive department" is obviously deliberate; for the whole

[1] The Principles of the Administrative Law governing the relations of Public Officers. By Bruce Wyman, of the Faculty of Law in Harvard University. St. Paul, Minnesota Keefe-Davidson Co., 1903. — x, 641 pp.

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treatment of the subject seems to be based on the theory of the separation of powers — a theory which indeed has an important influence on the position of the different departments of government, but which does not affect the position of any administrative officer except the chief executive. Thus, in the chapter on The Position of the Administration, it is said:

> No action of the administration as an administration is subject to the inquiry of the law; since the administration in the execution of its functions is conceived as the representative of the state with the immunities of the state itself [p. 24]. . . . That the state is not responsible, as an elementary principle has many applications in the practical administration of the law. . . . The consequence most noteworthy of all in this for administrative law must be apparent to any observer of these conditions. The administration has a free hand to work out its own devices; but the administrative officer has no freedom of action, except action within the law. Since the administration is irresponsible the officer must be responsible [p. 31].

The position taken by our author is of course an advance upon that taken by Mr. Dicey, who says, in his *Law of the Constitution*, that the scheme of so-called administrative law is opposed to all English ideas. In fact, Mr. Wyman repudiates, and properly repudiates, the Dicey doctrine when he says:

> Political science is a universal science. However diverse in its manifestations, governmental power is the same in last analysis. Accordingly there is no power exercised in any government which is not to be found in some form or other in every government. In every government there must be a department charged with the enforcement of the law. In the law of every state, therefore, there must be a body of rules in relation to the action of that department. In that sense, at least, there must be an administrative law in the law of every state [p. 3].

For the rather grudging recognition of administrative law thus made, all students of the subject ought, of course, to be thankful; but no one who believes that the boundaries of administrative law are as wide as is the function of executing the law can refrain from protesting against the view that administrative law deals merely with what is known under our system as the executive department; and no one who has this belief can refrain from stating his objections to the narrower view.

To begin with, if we are to adopt our author's conception of administrative law, we must admit that administrative law is either non-

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existent in our state systems of public law, or that it governs merely the relations of the executive department which, on account of the general character of the state administrative system, are comparatively unimportant. For, as Mr. Wyman shows in an admirable comparison of the federal and state systems, while we have a highly centralized administrative system in the federal government, we have a very decentralized administrative system in the states. Does the fact that the administrative system of the states is decentralized make it unnecessary that the state governments shall exercise some of the powers which the federal government exercises? If the state governments must in the nature of things exercise those powers, does the fact that the system of administration is decentralized deprive the rules of law governing the exercise of those powers of their character as rules of administrative law?

Further, the insistence upon the irresponsibility of the administration, which is derived from our theory of the separation of powers and which, under other systems of public law, is not by any means one of its necessary attributes, tends to produce serious error when we come to consider the position of the administration in a decentralized administrative system. Thus, for example, it is the universal rule of our state law that certain of the authorities provided for the execution of the law and for the discharge of what are called administrative functions are incorporated; and this is done for the purpose of depriving the administration, in so far as its organs are incorporated, of its attribute of irresponsibility. Counties, towns, cities and school districts are all made corporations, liable to suits based on contract and sometimes to suits based on the tortious acts of corporate officers. Neither the legislatures nor the courts permit the principle of the separation of powers to be made use of to accord to a host of state administrative authorities a position of legal irresponsibility. Indeed it has been held quite commonly that the principle of the separation of powers does not govern the relations of the local administrative authorities in the states.

Mr. Wyman's narrow conception of administrative law vitiates also some of his conclusions on the position of administrative authorities, using the words in what would seem to be their proper sense. Thus he regards as bad law a decision of the Supreme Court of the United States in the case of United States *vs.* Duell, 172 U.S. 576. In this the court held constitutional a statute giving an appeal on the merits from a decision of the commissioner of patents to the court of appeals of the District of Columbia, instead of to the secretary of the interior. Our author says:

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It may well be asked with respect: How can there be a more flagrant example of the subordination of one of the great departments to another than is seen in this case, where a judicial court is put over an administrative office, where the action of an executive body is subjected to the revision of a judicial body; for what else can this process of appeal amount to? If this be allowed in this case it is difficult to see why it must not be permitted in every case. And the end of a series of statutes might be to make the chief justice and the associate justices of the United States pass upon the propriety of every action of the president and cabinet of the United States — a *reductio ad absurdum* [p. 84].

Such reasoning as this is based upon a conception of the position of the administration which would seem to be quite foreign to our administrative history and custom. Originally, before the federal administration had become so centralized as now, one of the common means of determining customs cases, for example, was by suit against the collector of the customs, upon which mixed questions of law and fact, decided in the first instance by the collector, were submitted to the courts acting with a jury. Again, the administrative law of the states has been in the past, and is now, full of instances where questions of this character, when decided by administrative officers, are subject to judicial review. Take, for example, the jurisdiction of the courts over the subject of nuisances. The courts have the right in some instances, in both direct and collateral actions, to review the determinations of administrative officers that certain concrete conditions constitute a nuisance. In the state of New York, as well as in other states, provision is made by statute that the determination of tax assessors as to the value of property assessed by them shall be subject to judicial review; and in the state of New York a general provision of the code of civil procedure gives to the courts the power, on writ of *certiorari*, to quash the determinations of administrative officers not merely because they are contrary to law, but also because they are opposed to the preponderance of evidence.

In a word, the conception of the irresponsibility of the administration is really foreign to our law except as regards the executive head of the government, *i.e.*, in the case of the federal government, the president, and in the case of the state government, the governor. Acts of the lower authorities have in various ways, sometimes as the result of positive statute, sometimes as the result of judicial decision, been made subject to the revisory power of the courts. The fear that the recognition of the power of Congress to subject to the control of the courts decisions of inferior administrative officers will result in giving to the

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courts the power to pass on the propriety of every action of the president and his cabinet is a *reductio ad absurdum*, but not in the sense in which Mr. Wyman uses these words.

But while one cannot help regretting that Mr. Wyman has so narrow a conception of the extent of administrative law, one cannot but be grateful to him for the thoroughness with which he has done the work he set out to do. Nowhere is there to be found so exhaustive a collection of the decisions of the courts, attorneys-general and heads of the various departments with regard to the powers and duties of the administrative officers of the federal government. Furthermore, much more has been done than merely to collect the cases. There is not only, at the end of each section, a long list of cases bearing upon the subject under discussion, but, where a case is regarded as important, the text sets forth at length the facts and a large part of the opinion. The book is therefore to some extent available for the same purposes as a collection of selected cases.

One must also feel gratitude to Mr. Wyman for his admirable exposition (in the chapters on the powers, the duties, the membership, the organization and the theory of the administration) of the characteristics of the administrative system to which attention is primarily directed. Particularly to be noticed is the chapter on The Theory of Administration. Herein is set forth, in all its legal aspects, the theory of the centralized administrative system of the federal government. Attention is called to the necessity, in such a system, of recognizing that the superior officers may delegate the exercise of their powers to their subordinates. Court decisions, opinions of attorneys-general, decisions of heads of departments and circulars of instructions are all marshalled to show how, owing to the recognition of this principle, "centralism" as the author calls it, does its work.

As a matter of practical government the performance of centralized administration seems prodigious. The secret of the success is system. System — in the subordination of officers inferior to superior; system — in the coördination of officers of the same grade for division of labor. The subordination is necessary, so that all may be overseen from step to step. The result in administration is the possibility of immediate action. Whatever any superior wishes done, he may command it done with definiteness by the most remote inferior. Matters of routine are done at the bottom; only where they involve extraordinary action are they referred to the top; and yet in each case the theory is preserved that all action proceeds from the top. The matters of routine are done by every officer of the same grade n coördiniation. The principle is

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well understood that ten men properly coördinated upon lines of exact specialization or precise division can do the work of fifty acting as separate individuals. The effectiveness of a centralized administration is therefore no untested theory; it is a demonstrated fact [p. 212].

Again he says:

Where a superior officer has a discretionary power, any action by him in pursuance of that power may create a duty for his inferior officer of such nature as he may designate in his order. If by this process a superior officer lays an explicit command upon his inferior officer, the result is that the inferior officer is now under a ministerial duty which he must perform according to the tenor of the command. This in a simple case is the working out of administration. The usual processes of administration are more complicated, because one such step is added to another such step. For example, the head of a department gives a general order to the chief of a bureau; the result is that it is the ministerial duty of the chief of bureau to act, but what action he shall take is within the discretionary power allowed to him by this general order. He in turn gives a special order to the chief of some division; the same process recurs; it is the ministerial duty of the chief of division to act, but what orders he shall give are within his discretion. The last step is the designation by the chief of division of some special clerk to do some special act; here, at last, the duty is ministerial, the clerk must do that act. In brief, this is the process of administration, the continuous process of the action of a superior creating duties for an inferior [pp. 215, 216].

It is remarkable — and to be regretted — that in this admirable treatment of centralized administration space should be devoted to the state systems, except by way of contrast. For what is said (*e.g.*, in chapters vii and viii, on The Organization of the Administration and The Theory of Administration) with regard to the state systems tends to convey the impression that the principles applicable to the federal system are applicable to the state systems.

One of the greatest services rendered by this portion of the book is the extended treatment of the power of regulation possessed by the officers of the administration. It is said:

These rules are made by the executive itself in the course of administration to facilitate the enforcement of the law. In part these rules are written, then they are called regulations. In part they are unwritten, then they are called usages. The general result is a definiteness in usual administration. The situation that is found is this: When the law is

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put upon the statute book it is not specific enough for administration. It requires further elucidation. This is the office of the legislation which is done by the administration. That is, the administration first of all puts the law in shape for convenient administration. The force of these regulations that thus accompany the statute is the legal problem. The general conception is that these regulations have the force which any governmental action has. This is usually summed up, in the ordinary decision, by the statement that these regulations have the force of law . . . The regulations, upon examination of the situation, will be found to be as multifarious as the statutes upon which they depend. These regulations represent the exercise of a very considerable power on the part of public officers in their relation with the public. And they serve a purpose in the administration not commonly appreciated. There are innumerable instances of these regulations. The regulations, directions, circulars, instructions, forms, promulgated by the executive department confront the citizen in all his dealings with the government. So far as these are all put forth in due course of administration the citizen must conform to them. This is the chief office, indeed, of the regulation — to reduce administration to a regular system for the ordinary case that arises in administration [pp. 285, 286].

It is shown further that

with or without action of Congress regulations have the force of law when founded upon, first, the President's constitutional powers as commander-in-chief of the army, or, second, the administration of statutes by the President which had been enacted by Congress in reference to the military forces. All of these regulations have the same validity [p. 287].

A further basis for these regulations is found in the power of direction which, because of the centralized character of the federal administrative system, each head of a department possesses. Thus it is said:

A regulation is an order, in that it is like any act done in administration. Wherever a superior gives an order to the inferior, the simplest form in administration is seen — the specific order. Whenever a superior with two inferiors gives to each the same order, the simplest form of the regulation is seen — the general order. After that, between a general order spoken for two and a general order printed for two thousand, no distinction exists. The power to issue a regulation over all the officers in an office is a consequence of the power to issue any single order to any single officer; all this results from the theory of administration which gives the superior full direction over his inferiors in any way that may seem to him fit [p. 304].

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Attention is, of course, called to the rules that these regulations may not be contrary to law and that, if regulations not justified by the statute are as a matter of fact issued by an administrative officer, the courts will refuse to enforce them. But no really satisfactory explanation is offered as to the reason why, under a constitution based upon the principle of the separation of powers, administrative regulations which have the force of law are regarded by the courts as constitutional. Mr. Wyman, following in this respect the courts, advances the theory that these regulations are not legislative:

> This regulation, it thus appears, is not legislation; it is administration. The authority for all regulation is to be found in the executive department itself. This is the part of the function of the administration to prescribe methods for the enforcement of the law. This is an inherent power, then, the employment of a method incidental to due administration. Statutes are by necessity couched in general terms, but these general terms carry with them by necessity all powers requisite to accomplish their object. This is so whether the law that goes before indicates that regulation is to follow after or whether the law is silent as to regulation. Often a body of regulations is framed by the head of an executive department upon no other basis than that the matter was given over to be administered under his direction. All of these regulations, if they are no more than administration, have the force of law [p. 291].

Such a theory may properly be held with regard to regulations issued in the exercise of the power of direction, affecting none but officers, and affecting these only when acting in their official capacity, but it is difficult to believe that regulations which determine the rights and duties of citizens or of officers when not acting in an official capacity are mere matters of administration. The only ground upon which such regulations can be justified, in a country whose constitution vests the legislative power in a legislature, is the same ground upon which is based the doctrine of the state law which recognizes that local corporations and officers may issue local ordinances when thereto authorized by the legislature. That ground is that the doctrine of the separation of powers must be interpreted in the light of our history. It follows then, in the case of the president and governor and other executive officers, just as in the case of the local corporations, that if it was, at the time of the adoption of the constitution, the custom of the government to recognize such powers of regulation as vested in such authorities, the constitution must be construed as intending to permit these powers to be exercised in the future as they had been in the past.

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Regret has already been expressed that a certain lack of political insight has made certain portions of the work before us unclear. Mr. Wyman's tendency is to regard the theories at the basis of our system of government, as they have been formulated by our courts, as absolute political principles of universal applicability. Thus it is said:

That the state cannot be sued seems at first a technical result — that the law has tied its own hands and so has lost its supremacy. But does it not, upon consideration, seem an untechnical doctrine; for is it not brute force that dictates it rather than subtle logic? The state is sovereign not because it may be, but because it must be; the citizen is subject, not because it is law, but because it must be so. These things are not possible in theory: to have a state without a sovereign or a sovereign without subjects. However complex the state, somewhere there must reside sovereignty; whatever the form of the government, all must be subjects of that sovereign, however free they may be. These things must be so, in fact, because they are based upon the power, somewhere, without which the whole system would be disintegrated. In last analysis there are reasons for the rule that the sovereign is irresponsible. Therefore, this is a rule without exceptions [p. 30]. . . . No proposition of administrative law is so undisputed as this, that the government is not liable for torts in the course of governmental action; and no rule of administrative law is so without exception as this. As a matter of theory it is impossible to conceive of the state as a private principal subject to the liabilities of the law of private agency; the truth is that this is another realm, this is a public principle, the law of public agency governs; and according to that public law it is as impossible for the state to authorize wrong-doing as it is inconceivable that the state should do wrong itself [p. 35].

Now while it may be the rule of law that the federal and state governments may not be sued without their consent and that, when they consent to be sued, they never are liable for the tortious acts of their agents, it is still true even by our own law, as has been pointed out, that the municipal corporations, which are merely incorporated parts of the administration, may be sued not only in contract but for certain kinds of torts; while foreign systems of law, like those of France and Germany, permit great freedom of suit, both on contract and in tort, against the central government.

Again Mr. Wyman, notwithstanding his in other respects accurate description of the position and operations of the federal government of the United States, has apparently transferred to the relations of that government ideas derived from a study of our general system of law concerning the control of the courts over the administration. One of

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the points upon which he lays great emphasis, as has already been indicated, is that while the central administration, as representing the government, is irresponsible before the law, the administrative officers of that government are subject to a complete responsibility. At any rate, the responsibility of the officers of the federal government is not clearly distinguished from that of officers of the state governments.

As a matter of fact, however, for one reason or another, probably because of the great influence of the executive departments on federal legislation, Congress has so limited the power of the United States courts to interfere with the action of the administrative officers of the federal government, even where such action is violative of private rights, that in many instances the individual who believes that his rights are violated by the officers of the federal government either has no remedy or can discover one only through the exercise of the greatest ingenuity. Thus, for example, the Judiciary Act does not confer generally upon the courts of the United States the power to issue to administrative officers of the federal government the writs of *mandamus* or *certiorari* — writs by means of which the state courts are continually exercising a control over the acts of state officers. The only United States court which has power to issue such writs, as a part of its original jurisdiction, to officers of the federal government, is the court of the District of Columbia, which has a territorial jurisdiction limited by the boundaries of the district. This omission in the Judiciary Act of itself tends to give to federal administrative officers an immunity from judicial control which, though not ordinarily appreciated, is of the greatest importance. The case of *Ex parte* Vallandigham (1 Wallace 243) shows what this omission has sometimes meant. In this case Vallandigham was sentenced to imprisonment during the war by a military commission. The privilege of the writ of *habeas corpus* had been suspended, and Vallandigham applied to the United States courts for a writ of *certiorari*, but this was denied on the ground of lack of jurisdiction, although there was no other adequate remedy.

Again, Congress has sometimes vested in administrative officers a power of final determination, as in the acts forbidding the immigration into the country of certain classes of aliens, and this grant of power has been upheld by the Supreme Court in a number of cases. Again, Congress has taken away from the individual his common law remedies against the action of federal administrative officers: *e.g.*, it has taken from the courts of the United States the right to issue an injunction to restrain the collection of taxes and has at the same

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time relieved tax officers from liability to be sued in tort. Congress has, it is true, in some instances replaced the common law remedies, of which it has deprived the individual, by special remedies, some of which have been administrative and some of which have been judicial. But the legislation of Congress has in some cases made it very difficult to find a remedy by means of which to test the validity of official action; witness the method finally adopted to test the constitutionality of the recent income tax, where the courts were asked to issue an injunction on behalf of a stockholder to restrain a private corporation from paying the income tax, on the ground that such action would be a wasting of the resources of the corporation.

When we add to the weakness of the judicial control over federal officers the right generally accorded to them to execute the law without resort to the courts, as for example, in the collection of taxes and claims against officers of the administration, which right has been held by the Supreme Court in more than one case to be constitutionally vested in the administration by Congress, we at once perceive that we are in the presence of an administrative system which, from the point of view of the irresponsibility of its officers to the law, is quite a different one from the system which we find in most of our states.

This difference between the position of the federal officers and that of the state officer, with the resulting difference in the position of the federal and state systems of administration, our author does not seem to have appreciated; at any rate he has not brought it clearly before the reader.

Owing to these fundamental defects in the work, namely the narrowness of the subject treated and the failure to bring out clearly the peculiar and distinctive characteristics of the system of administration on which the attention of the writer has been concentrated, it must be said that the book is hardly one that can be used with advantage by the student of administration, unless he has already made considerable study of the subject. But to one who has given the subject some attention, the book will be a valuable one, as supplying information on a subject on which very little has been easily accessible.

Apparently, however, the book has not been written with the intention that it should be used as a text book for college or law-school classes. The appendix of forms for use in business with executive departments (such as the pension office, the accounting bureaus, the patent office, the land office and the offices having to do with the collection of the customs and internal revenue) would seem to indicate that the author's intention was to write a book for the legal profes-

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sion. Indeed, he says, in his preface, that the appendix has been provided "that this book may be a manual for lawyers engaged in such matters." The fact that the appendix occupies at least two-fifths of the entire book would seem to show that it was the legal profession that the author had particularly in mind when he wrote his book, although we are informed that "this book is based upon an occasional course of lectures delivered in the law school of Harvard University." Whether the book will satisfy the needs of that rather small class of the profession which is occupied in conducting relations with the executive departments can be determined only by one whose technical knowledge of that sort of business is large.

Finally the hope may be expressed that some one may be induced to give to the whole subject of American administrative law the careful and thorough treatment which Mr. Wyman in his *Administrative Law* has given to the legal relations of the administrative officers of the federal government.

FRANK J. GOODNOW.

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REVIEWS.

Autobiography of Seventy Years. By GEORGE F. HOAR. New York, Charles Scribner's Sons, 1903. — Two volumes; 434, 493 pp.

Senator Hoar's work, while in general a paragon of pellucidity, leaves nevertheless one distressing uncertainty in the reader's mind, and that is whether, in last analysis, it is the population of Eastern Massachusetts in general or the Boston Saturday Club or the Worcester bar that is to be regarded as the most perfect human embodiment of religious, moral, intellectual and political virtue. That no other aggregation of human beings in this wide world, past, present or future, has any place in the competition, will be obvious to the most casual reader of the volumes. Mr. Hoar places himself, with a genial frankness that disarms criticism, in the foremost rank of that band of ancestor-worshipping Massachusetts Puritans whose mission has been, and is, to imbue a sceptical world with some measure of their own unwavering conviction that the whole history of the United States, and probably that of mankind in general, has hinged principally upon their thoughts and deeds. The facts which elicit his most heartfelt expressions of gratitude to his Creator are, first, that he was born and reared of and among the Concord Puritans, and second, that his public life was passed in the service of Massachusetts. The manuscript diary of Bradford, the leader of the Plymouth Pilgrims, Mr. Hoar regards as "the most precious manuscript on earth, unless we could recover one of the four gospels as it came in the beginning from the pen of the evangelist." So much larger and more sacred bulks this product of an early Massachusetts Puritan's pen than any document of our merely national life, as for example, the Declaration of Independence!

Next in order to his ancestry and his state Mr. Hoar places his association with the Republican party as a ground for gratitude to God. He is as frank in avowal of his thoroughgoing partisanship in politics as in his avowal of ancestor worship and state pride. So profoundly is party fealty a part of the man that the most cynical reader will be touched by the real pathos of several allusions in which Mr. Hoar indicates his discontent with the recent imperialistic policy of the Republicans. He seems to feel that the time may be at hand when he must actually break his old party ties. But he is probably the only man in the United States that regards such a result as possible. The Senator

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has often been a useful force making for conservatism within the party, but he has never been one of the great positive propulsive forces, and the stronger leaders of policy will doubtless in the present case, as in many an earlier one, bring him to realize that party rupture is a greater evil than the triumph of the projects he detests. The situation illustrates once more what never has been realized by any Massachusetts man, that her statesmen have never, since the Republican party became thoroughly coherent, been the dominant element in the party. Her policies and her men have striven in vain in the councils of the party with the policies and the men of the West. The philosophic idealism and sublime humanitarianism which characterized the régime of Sumner and Andrew, and of which Mr. Hoar is the living heir, never had any hold on the hard-headed Wade and Morton and Chandler, nor was it markedly present in Mr. Hanna, their successor. Massachusetts Republicanism during the war stood for abolition first and national integrity second; the Republicanism of the West reversed the order. During reconstruction Massachusetts Republicanism demanded negro suffrage as a right of the negro; the Western Republicans sought it frankly for the benefit of the party. The humiliation of Sumner by Grant marked with entire clearness the definitive triumph of Western ideals and Western methods in party policy. But Massachusetts and New England in general have been far more fertile than the West in the production of memoirs and other forms of literature concerning the history of those times, and the fiction has been perpetuated, as it appears throughout Senator Hoar's book, that the men of the East have really dominated the career of the party. Mr. Hoar's knowledge of the true source and support of the present imperialistic policy ought to contribute powerfully to the correction of this belief.

The enjoyment of Mr. Hoar's volumes can reach its maximum only after allowance has been duly made for the unswerving solemnity of the author's devotion to his ancestors, his state and his party. On each of these points the mellowness and joyous tone are wanting that pervade the rest of his work. The story of his legal practice, his travels and his political service abound in evidence that his appreciation of a joke is in general of the keenest and that he is quick to catch the full effect of those incongruities in things that make men merry. But more deadly seriousness never appeared in literature than that of Mr. Hoar in treating of one of the most ludicrous incongruities in our political history — the election of Benjamin F. Butler as governor of Massachusetts. That such a character as Butler should have been a product of Puritan stock, should have achieved distinction

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and power in eastern Massachusetts, and should have stood high for years in the councils of the Republican party — these facts are hard enough to adjust to the good Senator's philosophy. That, in addition, despite the frantic warnings of Mr. Hoar and his associates in the Saturday Club and the Worcester County bar, the people of Massachusetts should have deliberately chosen Butler governor, is entirely beyond the fire test of the senator's equanimity. The great wave of inextinguishable laughter that swept over the country at the announcement of Butler's election is not recorded or suggested by Mr. Hoar. The incident contains for him no element of humor. He records it with unwonted gloom, and finds in it only two morsels of comfort: that the Democratic party was chiefly responsible for it, and that it did not happen again.

Mr. Hoar's chapters on the men and measures of Congress during his service, which has been continuous since 1869, furnish no important revelations of historic interest, but throw much useful light on minor matters in the inner workings of politics. His estimates of the public men with whom he has been brought in contact are interesting and almost invariably kindly. The cordial appreciations of many Democrats, especially Southerners, are evidence of the author's broader spirit. His anecdotes concerning Grant as President confirm the impression already given by Boutwell, John Sherman and others, that Grant was considerably stronger as a statesman than the public record of his political career would indicate. On one point in Grant's career, which involves also Senator Hoar's brother, then attorney-general, an apparently conclusive refutation of a disagreeable charge is given. It is demonstrated, by a comparison of the recorded times of the acts concerned, that the nominations of Strong and Bradley as justices of the Supreme Court could not have been determined by the purpose to secure a reversal of the first legal-tender decision.

Though Senator Hoar's qualifications as a historian are far above those of most men in the same walks of public life, his autobiography is by no means free from the sort of inaccuracies that seem inevitable in a busy man's "recollections." The Senator's partisan predilections seem responsible for most of the errors that occur in his volumes. Thus an obviously laborious effort to say something agreeable about General John A. Logan has led him to adopt as history some "spell-binder's" tale in the campaign of 1884. Logan, he says, when ordered to relieve Thomas of command at Nashville just before the great victory in December, 1864, found on reaching the army that Thomas's dispositions were all made to insure a triumph.

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His [Logan's] generous nature disdained to profit by the mistake [of Grant] at headquarters and to get glory for himself at the expense of a brave soldier. So he postponed the execution of his orders and left Thomas in his command. The result was the battle of Nashville and the annihilation of Hood. Where in military story can there be found a brighter page than that?

In view of the facts of the case the Senator's query becomes a trifle ridiculous. According to the official records, as well as the narrative of Grant, Logan was ordered to Nashville from City Point on December 13. On the 17th he reported that he had got as far as Louisville and that "people here [are] jubilant over Thomas's success." The victory had been won on the 15th and 16th, and Logan turned back without going to Nashville at all.

Mr. Hoar's discussion of various phases of Southern politics discloses a degree of sympathy with the Southern whites that could hardly be anticipated. He actually confesses to a feeling of sadness on seeing the negro-ridden Louisiana Legislature in session in 1873 (vol. ii, p. 160). But such a feeling never for a moment modified his resolution to perpetuate at all hazards the conditions which made him sad. He declined, and still declines, to see any other principle underlying the course of the whites in overthrowing negro suffrage than a passionate desire for the supremacy of the Democratic party. His business, therefore, was to thwart this purpose in the interest of his own party. His position here is certainly intelligible; but his belief that there has not been and is not any important race question operative in the South is hardly creditable to his insight. Still less creditable to either his historical knowledge or his candor is his repeated assertion that the "suffrage was conferred upon the negro by the Southern states themselves" (vol. ii, pp. 159, 162). Not even in the most narrowly technical sense that Mr. Hoar's legal ingenuity can suggest is this true. The right of the negroes to vote in the Southern states was conferred by an act of the United States Congress, and the first exercise of the right took place under the immediate direction of United States army officers, in absolute disregard of existing statutes of every state concerned.

In conclusion may be quoted a passage which displays as well as any in the two volumes Senator Hoar's general bias in dealing with history and politics:

During the thirty-two years from the 4th of March, 1869, to the 4th of March, 1901, the Democratic party held the executive power of the country for eight years. For nearly four years more Andrew Johnson had a

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bitter quarrel with the Republican leaders in both houses of Congress. For six years the Democrats controlled the Senate. For sixteen years they controlled the House of Representatives. There is left on the statute books no trace of any Democratic legislation during this whole period except the repeal of the laws intended to secure honest elections.

It is a little uncertain whether Mr. Hoar intends to include Johnson's four years in his total of thirty-two; but, leaving that aside, who that reads, and accepts without verification, this record of Democratic opportunity and inefficiency would suspect that during these thirty-two (or thirty-six) years the Democrats had the power to enact party measures — *i.e.*, controlled simultaneously the presidency and both houses of Congress — during precisely two years, 1893–95?

WILLIAM A. DUNNING.

Actual Government as Applied under American Conditions. By ALBERT BUSHNELL HART. New York, Longmans, Green and Co., 1903. — xliv, 504 pp.

This book is one which will arouse in the careful reader mingled feelings of satisfaction and disappointment. While the plan of the work is most excellent and the general execution leaves little to be desired, in clearness and accuracy of language and statement it falls far below the standard which the public have a right to expect from so prominent a writer.

The book is designed to fill a place not previously occupied by any of the numerous text-books upon American government. It is intended, the preface tells us, as "a college and upper high-school text-book" which shall not confine itself to a mere description of governmental organization, but shall present to the student American government — national, state and local — as a whole and in actual operation, including what it does as well as how it does it. Throughout the book these objects are kept in view, the emphasis at all times being upon practice rather than theory and upon the essential unity which underlies our governmental institutions rather than upon that division of powers between national government and states which occupies so large a place in most books on the subject.

The first one hundred and twelve pages of the book are devoted to a general discussion of the fundamental conditions and principles which lie at the base of American government; the physical features of the land, the character of the population, the personal rights of citizens

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and aliens, the principles of the separation of powers and division of powers, written constitutions and their revision and amendment, suffrage and elections, the organization of political parties, including of course the caucus and nominating convention, the "machine," the "boss," and allied topics. The next fifty pages are devoted to state government, another fifty pages to local government, and a hundred pages to the national government. Having described how the governmental machinery is organized and how it works, the author devotes the remaining pages of the book to a detailed examination of the functions or operations of government, *i.e.*, to telling what the government actually does as distinguished from how it does it. The discussion of each large topic is preceded by a "brief account of how that particular agency or function came to be," and classified references to other works on American government are prefixed to each of the chapters, supplementing a general bibliography which is inserted at the beginning of the book.

A brief experience with this book in the class-room has led the reviewer to believe that at times theory has been unduly subordinated to practice. While, of course, the machinery of government is only a means to an end, a knowledge on the part of the student of both the fundamental features and many of the details of governmental organization is necessary if he is to understand clearly the actual operation of the system. To some extent the book fails, perhaps, to provide this necessary basis for the study of the government "in action," but of course this is a lack easily supplied by the teacher.

Severe adverse criticism is demanded by the all too frequent carelessness of language and statement, which at times degenerates into absolute inaccuracy and incorrectness. This is especially true of the earlier parts of the book, where propositions of constitutional law rather than of fact are often stated, and where one who is not a trained lawyer may easily go astray. An example of what is here referred to is found in the chapter devoted to The Individual and his Personal Rights. It is difficult to imagine a more loose, inaccurate and misleading discussion of the "privileges and obligations of citizenship" than is here found. It is said, for example: "In many respects the alien has the same duties and the same rights as the citizen; he must obey the laws and pay taxes, and all his rights he holds by temporary favor" (p. 19). This seems to say that, like the alien, the citizen holds his rights by temporary favor, not by constitutional grant, which is denied in the next sentence. If we substitute "but" for "and," the statement is still open to criticism, for the alien holds very substantial rights under

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the constitution, rights of which the government may not deprive him so long as he is allowed to remain in the country. Again: "A great privilege is that of protection: no individual may take the property or injure the person of a citizen without a criminal responsibility" (p. 19). Obviously this is not a "privilege of citizenship" at all, but one which belongs to all persons alike, be they citizens, subjects or aliens. The same is true of other privileges enumerated in this section, as well as of the so-called "obligations of citizenship." As an example of the latter: "The citizen is held responsible to national, state and local laws" (p. 20). So is the alien. Without increasing the size of the book by a single line, a clear and simple account could be given of the fundamental constitutional rights of citizens and aliens and of their legal obligations, and occasion could be taken to emphasize the fact that in these modern days the importance of citizenship as a source of rights is far less than it was in the ancient world, when the person not a citizen was to a large extent not recognized as having rights — in other words, that the fundamental rights to life, liberty and property are to-day given to men as men and not as citizens.

It seems impossible to eliminate from the mind of the American historian the erroneous idea that "in the famous Dred Scott case it was held that a person of African descent could not become a citizen of the United States, or a citizen of a state, in the sense of the constitution of the United States" (p. 16). Inasmuch as only four members in a court of nine expressed any opinion upon this question, and one of them held that a free negro could be a citizen, it is difficult to understand the persistence of this mistake, unless it be due to the fact that those who make it have never examined the case itself.[1]

It is doubtful if the brief and not very clear discussion of sovereignty given in chapter iii will in any degree enlighten a student who approaches the subject for the first time. Clearly erroneous is the statement that "in England the ultimate legal power to make and alter constitutions rests in the peers of the realm and the constituencies of the House of Commons" (p. 38). It is also difficult to see how a student not already familiar with the fundamental principles of our national constitution can make anything out of the following statement: "The fundamental principle of our federal government is that the inherent sovereign powers in the community are normally exercised through the state governments, and therefore that any unrestricted power is left to the states and not to the Union" (p. 54). It

[1] A most excellent discussion and statement of what the case actually decided will be found in Thayer's Cases on Constitutional Law, vol. i, p. 496.

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is fair to suppose that this is intended as a statement of the principle that, under the constitution of the United States, the states have all powers of government not denied to them, expressly or by implication, and that therefore any power not delegated exclusively to the national government or denied to the states is left with the states. In so far as the statement last quoted suggests that the states have any "unrestricted," *i.e.*, unlimited powers, it is clearly wrong. On the same page the statement that the division of powers between state and local governments is expressed in the state constitutions is certainly more than questionable. There is a tendency discernible to put it there, but this tendency is as yet far from general. In the description of the methods of amending the constitution of the United States, the unaccountable error is made of omitting absolutely any mention of the fact that the assent of the states may be given by means of conventions as well as by the legislative bodies.

What shall we say of the following statements concerning the fifteenth amendment to the federal Constitution? "The amendment provides that no *person* shall be deprived of the suffrage on account of race, color, or previous condition of servitude. By decision of the Supreme Court, this clause does not apply to Asiatics; and the states may, and three of them do, prohibit the voting of members of the Mongolian race" (p. 70). Would it not be better to state the provision of the amendment correctly, substituting "citizen" for "person"? The apparently arbitrary rule about Mongolians would then flow naturally out of the amendment, the simple fact being that Mongolians born abroad are aliens and cannot under the naturalization laws become citizens, and therefore are not protected against disfranchisement. Is it not also clear that a citizen of Mongolian descent — and there are such — is within the provisions of the amendment?

In discussing the provisions which have been imposed by Congress upon many of the states when admitting them into the Union, the author reaches the conclusion that "plainly, the states are not equal" (p. 119). This ignores the fact that in many well considered and therefore weighty *dicta* the Supreme Court has repeatedly stated that these conditions are not binding, and that all the states are and necessarily must be equal under the constitution. This being the state of affairs, plainly the question is an open one. A doubtful statement of the law is contained in the discussion of what the author calls the obligation of the states to surrender fugitives from justice. He assumes that "here the states must act" (p. 121), *i.e.*, the surrender must be made by state authorities. There seems little doubt that the clause of the constitu-

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tion in question must receive a construction like that given to the similar clause relating to fugitive slaves, and that therefore the Congress of the United States may, if it wishes, provide a method for the surrender of fugitives from justice independent of the state authorities.

A careless error is contained in the statement that the limitation that "no state shall coin money" is only an implied and not an express prohibition (p. 124); also in the statement on the same page that the states are expressly prohibited from "depriving a citizen of the United States of citizenship." There is doubtless an implied prohibition of this kind, besides the general prohibition of the fourteenth amendment that "no state shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States."

Is not the statement on page 164, that "there is no evidence that the convention [of 1787] faced the question whether national courts could nullify [*i.e.*, pass upon the constitutionality of] national statutes," clearly unfounded? Certainly the brilliant work of Brinton Coxe on *Judicial Power and Unconstitutional Legislation* must have escaped Professor Hart's attention, or at least slipped his memory for the time being. The most that can be said is that perhaps the evidence is not conclusive that the convention intended to give the national courts this power, although the present writer is inclined to agree with Mr. Coxe that there are provisions in the constitution which were inserted for precisely this purpose.[1]

This by no means exhausts the list of careless and incorrect statements which the reviewer might give, did space permit; but enough has been said to show that much remains to be done before the book comes up to the standard of accuracy and clearness which ought to be found in such a work. To teach students to think clearly and express themselves accurately must always be among the more important duties of the teacher; and it must be confessed that there is much in this book which will not aid the teacher in his task, unless indeed it be made to serve as a warning example of what to avoid. In spite of these defects in execution, the book meets a real need of the teacher who is called upon to introduce the undergraduate mind to a wider knowledge of American government than that obtained in the usual course on "civics" given in the public schools; and it contains within the limits of its five hundred pages a vast amount of material, relating more especially to the actual operations of the government, that has hitherto not been in a form in which it could easily be used by the student. It is

[1] See in this connection Madison's Debates of the Constitutional Convention, under date of August 27.

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to be hoped that in a future edition the book will be subjected to a thorough revision with a view to removing the blemishes referred to. When that is done, if it be done thoroughly, the book will fill satisfactorily a place not previously occupied by any other text book upon American government.

WALTER WHEELER COOK.

UNIVERSITY OF NEBRASKA.

Financial History of the United States. By DAVIS RICH DEWEY, Ph.D., Professor of Economics and Statistics, Massachusetts Institute of Technology. New York, Longmans, Green & Co., 1903. — xxxviii, 530 pp.

The general verdict upon this book must be not only favorable, but emphatically favorable. It is a careful, accurate, and comprehensive survey of the history of our federal finances. The student or investigator in this province will hereafter have to take his reckoning by the landmarks which Professor Dewey has erected. Whether viewed from the standpoint of painstaking and extensive research, or from the character of the judgments pronounced, or from the nice proportions in the presentation of material, it merits ungrudging approval. Prefixed to each chapter is a carefully analyzed bibliography of the material used in its preparation. Statistical tables are introduced generously throughout the text, and graphic diagrams of peculiar excellence appear at the close of the discussion of each period.

Of peculiar interest are the verdicts rendered upon moot points in our financial history. They all bespeak full acquaintance with the evidence. They betoken also the historical spirit, the judicial temper, and not infrequently a refreshing independence of view. Thus, for example, in the case of the continental paper money, the author's appreciation of colonial precedents and of the particular situation in which Congress was placed at the time, leads him virtually to absolve Congress from the responsibility for its issue, and to push back the final responsibility upon the legislatures of the thirteen states. A similarly novel view is taken of the panic of December, 1861. Over that event, hitherto, the apologists for Chase and the advocates of the banks have pointed towards each other the incriminating finger. The award of our author is that

> the real explanation of the financial crisis of December, 1861, is not to be found either in errors of the treasury or in the selfishness of the banks,

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but in the condition of public feeling and a lack of confidence in the success of the war [p. 283].

How little beholden Professor Dewey is to purely doctrinaire trammels may be judged by his affirming the conscious protective aim of the tariff act of July 4, 1789; and even more notably by his virtual acquiescence in the decisions that established the constitutionality of the greenback (pp. 362–367). In the matter of Hamilton's sinking-fund policy, Professor Dewey upholds Dunbar's opinion as against that of H. C. Adams, and believes that

> neither Hamilton nor Pitt . . . had any delusion as to the possibility of paying debt without money, or any notion that compound interest could be made to supply the place of an adequate revenue or even atone for its possible absence [p. 115].

On the other hand where the evidence seems to him to be clear, Professor Dewey does not hesitate to strike straight from the shoulder, regardless of the prejudices of the day or the multitude. Thus he says in explaining the original Mint Act:

> Because there was no distinct provision for the coinage of a gold dollar, it has hastily been concluded by advocates of silver coinage that the original unit of value was the silver dollar. The error has resulted from not observing that there are two different kinds of units. The word unit as employed in the Mint Act refers to a unit of numbers, and not, as crudely interpreted, to a unit of value [p. 104].

The scant space which the author allows himself often prevents the consideration of interesting collateral issues. Thus, although the case of M'Culloch *v.* Maryland is given proper consideration, there is no account of the causes which induced Maryland to tax the agencies of the second United States Bank. Sometimes the space limitations almost seem to have excluded adequate criticisms of certain phases of our history. For example, an excellent summary of the Greenback philosophy is given (pp. 378–382), but unless the author assumed that the inflationists' folly, like that of Jannes and Jambres, is "manifest unto all men," a critical estimate of that philosophy might well have been added.

The only chapter to which important exceptions may be taken is the introductory chapter on Colonial Finance. The difficulty that confronted the author here was that in colonial times there was no exact analogue to the subsequent federal government. In consequence the

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author resolves that he will consider the central government of each colony as the prototype of the federal government afterwards created. In many cases this was by no means true. The local government was at times the only government whose financial importance was worth noting. For years together in the early history of the Jerseys, for example, the General Assembly did not meet, although town taxes were regularly raised. Even when taxes were raised in the colonies by acts passed by the General Assembly, the burden they imposed was frequently light in comparison with the weight of local taxes. As late as 1781 Abigail Adams in a letter to her husband writes: "Yet our state taxes are but as a grain of mustard seed, when compared with our town taxes." But even granting that from a political standpoint the central government of each colony was the nearest analogue to our federal government, Professor Dewey in treating of public income might well have given quasi-economic receipts — such as quit rents and land sales — a much greater relative degree of importance. Moreover the ready generalization (p. 10) that the New England colonies inclined to the general property tax, the southern colonies to import and export duties, and the middle colonies, dominated by Dutch methods, to the excise system, ought certainly to be qualified so far as some of the middle colonies are concerned. That early excises were to be found in New York is doubtless true; but no colonies were more under the influence of New York than East Jersey and West Jersey, and in their early history (1664–1702) the excise is all but unknown, and as a fiscal resource is altogether insignificant. Exception might also be taken to the statement (pp. 16, 17) that in New York the heavy duties imposed during Dutch rule and at the command of the Duke of York "had an influence in accustoming the colonists to tariff taxes." During the period in question, at least up to 1680, the customs jurisdiction over ports in New Jersey and Delaware was claimed and often exercised by New York officials. So far as appears, the rates of duty in the ports named during this period never exceeded ten per cent *ad valorem*, and frequently were lower.

It is no disparagement of this work, nor any abatement of our lasting indebtedness to its author, to say that the task still remains for some one to write the classic history of American Finance. Not that there is to be anticipated any revolutionary reversal of the historical and financial verdicts already registered by the labor of investigators, and by Professor Dewey not least of all. But now that the ground lines of the structure are so clearly defined, and the foundations laid so durable and strong, it but needs the great master-builder

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to combine the incomparable riches of material into a noble edifice, at once the monument of the scientific historian and masterpiece of the literary artist.

Immensely superior as is this work to Bolles's *Financial History of the United States* in almost every particular, there is that occasional quality of charm in the older work which Professor Dewey severely neglects. Noyes's *Thirty Years of American Finance* is unquestionably inferior to the work under review in point of accuracy, and in breadth and impartiality of treatment; but on the whole it gives a more readable account of the period in question than Professor Dewey affords us.

In reading this book one is struck more than once with the fancy that the author is a sort of historical *Baedeker*. The financial student may safely entrust himself to his guidance. The cicerone is always well informed, painfully conscientious, "double stars" all the *Sehenswürdigkeiten*, gives us the varying rates of cab-fares and hotel charges, and, in short, is better than anything else of the kind, and is absolutely indispensable. But while to the innumerable army of tourists the guide-book is indisputably the most useful book in the world, one does not read it unless first interested in the projected tour. If one is going abroad, it is well to carry along Baedeker's *Northern Italy*, but the existence of the volume does not render Ruskin's *Stones of Venice* superfluous.

W. M. DANIELS.

PRINCETON UNIVERSITY.

A History of the Greenbacks, with special reference to the Economic Consequences of their Issue. By WESLEY CLAIR MITCHELL. University of Chicago Press, 1903.

Forty-two years have passed since the first issue of legal tender notes was made. No financial transaction of the government has ever been so hotly and continuously debated, and the debate is not yet ended, although it has cooled considerably. That the greenbacks made the war far more costly to the taxpayers than it would otherwise have been is not now disputed. That they gave birth to a large brood of financial heresies and misconceptions, some of which still linger, is the conviction of all instructed persons. That they caused great injustice and hardship to individuals during the war, and long after, would not now be denied. The question whether they were necessary — whether the government and the Union could have been saved without them —

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is still in dispute and the opinion of the majority is that they were necessary.

Mr. Mitchell's opinion coincides with that of most scholars who have gone deeply into the subject. He holds that the question before Congress in 1862 was not greenbacks or disunion, but greenbacks or bond issues, plus taxation on an adequate scale, such as was enacted two years later. Since Mr. Mitchell's conclusions were first published, Mr. Don C. Barrett has shown (in the *Quarterly Journal of Economics*, May, 1902), that the crisis of 1862, which was made the occasion and justification of the first legal tender act, was actually met and surmounted by temporary deposits and certificates of indebtedness before the legal tender notes could be engraved, printed and issued. The conclusion is, therefore, warranted that if those precious months had been employed by Congress in passing a tax bill, like that of 1864, the government's credit would have been so fortified that 6 per cent bonds could have been sold in sufficient amounts at a moderate discount. The question whether the statesmen of the war period ought to have known more than they did know on these subjects, in the presence of the startling events that confronted them, is a different one altogether. However it may be decided, we are not estopped from throwing all possible light upon their acts from our superior and calmer standpoint; and here we are much indebted to Mr. Mitchell for his industry, carefulness and judicial temper.

The value of the legal tender notes as measured by gold forms an interesting chapter in the book before us and throws some light on the "quantity theory." It appears from the author's investigations that the most potent factor in determining this value was the government's credit, and that the quantity afloat had only a secondary influence. After 1863 the quantity of greenbacks outstanding at different times varied but slightly, and after 1864 not at all, yet the variations in their value were more extreme in the later than in the earlier period. The government's credit was affected by a great variety of events, military, diplomatic, legislative, political, *etc.*, and it is the author's opinion that "the quantity of the greenbacks influenced their specie value rather by affecting the credit of the government than by altering the volume of the circulating medium."

One hundred and fifty pages of the book are taken up with the effects of the greenbacks on prices of commodities, wages, rent, interest and profits. It is not difficult to trace the course of prices. They kept company with the quotations of gold in a general way, and the coincidence is close enough to assure us that the variations were due to a

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common cause. In the case of wages, however, the data are wanting for anything like exact conclusions. The statistics of the Aldrich report are considered very unsatisfactory although the best we have, and Falkner's table of relative wages based thereon is rejected altogether by Mr. Mitchell. His conclusion is that the paper currency practically confiscated one-fifth or one-sixth of the real incomes of wage-earners, and that there was no industry or occupation in which the advance in money wages kept pace with the advance in prices. There is no reason to doubt these conclusions, which confirm those reached by others before Mr. Mitchell began his work in this field. The chapter on wages is protracted to tedious length.

The rate of interest on loans did not increase during the war. A man who lent $1,000 in April, 1862, for a year, at 6 per cent should have received 42 per cent in addition in order to keep his capital intact, but he did not. He was poorer by that amount when the loan matured. If he reloaned the principal for another year he lost 23 per cent more, but if he had continued lending from time to time until specie resumption took place, he would have regained the *principal* and would have lost only that part of the *interest* represented by the depreciation of the currency. Why did not the rate of interest on such loans rise? Why did not the rate of discount at the banks rise correspondingly? Mr. Mitchell thinks that it was because people could not foresee the course of events and the fluctuations of the currency. For this reason both borrowers and lenders "took their chances." But were there not other elements in the problem, such as custom and usury laws? Custom constrained banks to discount the paper of their depositors on the usual terms. The usury laws made it dangerous to charge more than the prescribed rate. It may be said that, when the natural rate is above the legal rate, means will be found to evade the law by secret arrangements or by other forms of investment. This is true in part, but only the loans made in harmony with the usury laws find a place in the quotations of the newspapers and in the official tables from which the statistics are drawn.

Mr. Mitchell's chapter on the Production and Consumption of Wealth during the war is colorless and unsatisfactory, for the want of data. Was the war period one of general prosperity? Was the consumption of goods (other than army supplies) unusually large? Writers and speakers were found who took the affirmative side of both these propositions, in rather boisterous tones. Their unexpressed conclusion was that war and public debt and irredeemable currency are conducive to national prosperity. Then, from the point of view of dol-

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lars and cents, it is a mistake to make peace! The truth is, as Mr. Mitchell argues, that the few who made money out of the war, or in consequence of it, made a display of their wealth, while the many who lost by it suffered in silence. Attempts to prove this state of facts are alike ineffectual and needless. Tangible evidence that the war period was not one of material prosperity is found in the decline of new railway building, which fell from 1846 miles in 1860 to 651 miles in 1861 and did not recover its previous increment until 1866.

In the *Journal of Political Economy*, March, 1897, Mr. Mitchell made an elaborate calculation of the increased cost of the war to the taxpayers, due to the depreciation of the currency. The sum arrived at was $528,400,000. His later studies have brought the figures up to $589,000,000. In a foot note on the last page of the book he suggests a possible deduction of $72,000,000. Probably half a billion dollars in gold is not an excessive estimate of the additional cost thus accruing. The cost of the greenbacks, however, does not terminate with the end of the war. It is a continuing charge, and its next heaviest item is the expense incurred in their redemption, of which the country had harsh experience in 1894–'5–'6. Mr. Mitchell's preface implies that he intends to follow the career of the greenbacks down to the present time. It is much to be hoped that he will, for, notwithstanding the "bulkiness and fragmentary character" of the work under review, for which he apologizes, it is so far superior to anything else in the same field that every reader will welcome the future installments.

HORACE WHITE.

NEW YORK.

American Railway Transportation. By EMORY R. JOHNSON. Appleton's Business Series. D. Appleton & Co., New York, 1903. — xvi, 434 pp.

The book is divided into an introduction and three "parts" dealing respectively with the American railway system, the railway service, and the railways and the public. Each part is in turn divided into chapters, of which there are twenty-nine in the book, each treating of some more special topic logically included within the larger division. At the end of each chapter is a list of references for further reading selected with discrimination. The historical part of the book is fittingly illustrated with contemporary views, and throughout the whole of it maps and diagrams assist in illuminating and supplementing the text.

In producing this book Professor Johnson has placed all instructors

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in the field of transportation under obligations to him. The field of study embraced within its scope is too wide for individual research work in all its parts; hence the writer of the book voluntarily sacrificed his interests as an investigator to the interests of the class room and the general reader. This deserves recognition. Professor Johnson's utilization of the results reached by others — for which, of course, full credit is given — in supplementing his own extensive and thorough studies has been accomplished with good judgment and skill. The book represents a unified whole in which the salient points involved in the study of transportation have been clearly presented and properly coördinated. The author has no special theory to advance and no peculiar points of view to support: his attitude is severely neutral throughout. The conclusions and suggested conclusions formulated in the book are in general harmony with the best thought on the subject as expressed in the public utterances and publications of leading railway men, economists, and commissions.

One of the most noteworthy chapters in the book is that devoted to the present railway system of the United States. A series of maps is presented, each of which contains all the lines belonging to some one of the "groups" of railways controlled by certain interests. These maps are supplemented by a tabular analysis of the grouping of American railways by ownership and territory, giving the names and mileage of each of the leading constituent companies. "The table shows a rather marked parallelism between the territorial grouping and the consolidation of systems by ownership or 'community of interest.'" Reference is made to similar groupings of railways in England and France, and in a subsequent chapter some of the leading features of European systems are discussed. Professor Johnson gives an admirable sketch of the development of inter-railway relations from the earlier rate agreements and New England pools to the most recent community of interest arrangements. In his judgment on the present situation he is in general accord with the Interstate Commerce Commission, believing that the commission should be entrusted with additional powers in order that abuses may be promptly checked. He summarizes the movements and events which resulted in the creation, by law, of state and federal commissions in such a way as to leave the student with a clear impression of the untenability of a policy of *laisser faire* in railway matters and the necessity of a vigorous reaction against such a policy. The author has seen enough of railway men and methods to know that, like the rest of mankind, they are actuated by a variety of motives and that the great majority of them can be relied upon to

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do what a healthy public sentiment approves. This does not, however, blind him to the fact that evil-minded men and evil methods find in the railway an unusually serviceable instrument which it is the duty of the law and the administrators of the law to control in the interests of the public.

Professor Johnson's book is well adapted to introduce the student or reader into the problems of railway transportation and to guide him in the prosecution of his studies beyond the elementary stage.

B. H. MEYER.

UNIVERSITY OF WISCONSIN.

Railway Legislation in the United States. By BALTHASAR H. MEYER. New York, The Macmillan Co., 1903. — 329 pp.

Professor Meyer has here collected a number of studies made at various times in the history of railway legislation, some of which have appeared in the POLITICAL SCIENCE QUARTERLY, some in the reports of the Industrial Commission. These studies include the analysis of railway charters early and late; constitutional provisions of the different states that have reference to railways; state legislation establishing general laws for railway organization and management; statutory provisions of successive legislatures, including the control of transportation agencies through the medium of commissions; a summary of the leading principles enunciated in the decisions of the Interstate Commerce Commission; the decisions of the Supreme Court interpreting the Interstate Commerce Act, and an exposition of the Cullom Bill for the amendment of that law. An appendix contains the special charter of the Baltimore and Ohio Railroad, the charter of the Southern Railway under general law, the Massachusetts Commission Law, the Interstate Commerce Act, and the Elkins Act.

The merit of the book lies in the fact that this is the only complete summary of railway legislation in convenient reference form. It contains no new proposal for the solution of existing problems, and makes no pretense at originality. Aside from the impractical suggestion of advisory councils composed of carriers and shippers, the author's proposals are confined to a discussion of the clauses of the Cullom Bill as representing the lines along which the problem should be worked out. These include suggestions which have in part at least been admitted by shippers, carriers and students of the question to be imperatively demanded. The author recognizes the absolute impotence of the commission under its existing powers and lends his support to the attempt

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to clothe it with the rate-making power, in perfect confidence that "substantial justice will be done . . . to an extent hitherto unknown" — a proposition that is at least questionable. He supports the commission in its evident wish to undertake the herculean task of elaborating a single classification for the entire country; advocates the supervision of railway accounting by giving the commission access to the books of railways; approves the plan in the Cullom Bill for expediting cases in the courts, which provides that the testimony submitted by the commission shall constitute the record upon which the case shall be heard, and supports the demand now so general that pooling shall be legalized under authority of the commission. Students of the railway problem are under deep obligation to Professor Meyer for the results of what must have been a wearisome task, the success of which lies in the painstaking thoroughness with which it has been accomplished.

FRANK HAIGH DIXON.

DARTMOUTH COLLEGE.

The Rise and Progress of the Standard Oil Company. By GILBERT HOLLAND MONTAGUE. New York and London, Harper and Brothers, 1903. — 143 pp.

In his study of the Standard Oil Company, first published in the *Quarterly Journal of Economics* (February, 1902; February, 1903), Mr. Montague approaches the subject from the point of view of railway "economics." The period 1870–1880 was one of intense competition among railways; and the discriminating rates, of which shippers possessing strategic advantages were able to avail themselves, served as a basis for the future prosperity of many industrial enterprises, among them the Standard Oil Company. What Mr. Montague attempts to do is to show why the railroads singled out the Standard Oil Company as the recipient of such favors as probably no other enterprise has ever enjoyed.

In 1870, before the Standard Oil Company had secured any special favors from the railroads, it was a thriving enterprise, producing about four per cent of the refined oil of the country. So far as concerns size of plant or efficiency of equipment, it cannot be said to have been notably in advance of some of its competitors. Seven years later it controlled ninety-five per cent of the total output of refined oil. The cause of this extraordinary development is well known: discriminations in freight rates, enabling the Standard Oil Company to ruin its competitors one by one, or to force them to sell at its own price. Mr.

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Montague points out that Cleveland, where the company began its operations, was exceptionally well situated with respect to transportation. Not only were the railroads actively competing among themselves, but water competition served to force rates down even lower than railroad wars would have made them. Hence the railroads could be compelled to accept terms unfavorable to themselves as well as to the competitors of the Standard Oil Company. This will explain the notorious contract between the railroads and the South Improvement Company, whereby drawbacks were granted to the latter not only on its own shipments but on those of its competitors.

The railroads were accustomed to discriminate in favor of certain shippers; the Standard Oil Company could force them to discriminate in its favor, and did so. That was "business," all will agree. Mr. Montague appears to regard it as economically and ethically justifiable as well. "Such were the economic grounds on which to judge this [the South Improvement] contract. Popular judgment, however, was much less deliberate" (p. 28). Absurd as it seems to Mr. Montague, the competitors of the Standard Oil Company became quite excited when they learned of this contract, whereby they were each and all to pay tribute to their enemy. Public opinion, unenlightened by "deliberate" economic analysis, condemned the plan, and forced the railways to repudiate their contracts; not long afterward the charter of the South Improvement Company was annulled. In the meantime, however, it had served an important purpose, as we learn from other sources than the book under review, for, armed with a contract meaning ruin for its competitors, the Standard Oil Company proceeded rapidly to absorb the latter.

It would perhaps be unjust to say that Mr. Montague deliberately sets out to apologize for the Standard Oil Company. Yet it is difficult to account for the mental attitude of a student of economics who fails to discover anything contrary to public policy in the practice of wholesale discriminations, and who regards the success of a company built up largely through such discriminations as the result of economic superiority alone. Did Mr. Montague know anything about the methods adopted by the Standard Oil Company in its war with the Tidewater Pipe Line Company (mentioned on page 86)? If so, why was not the incident treated with candor? A more serious fault, is the author's failure to verify statements taken doubtless from untrustworthy sources. On page 97 mention is made of an agreement between the Standard Oil Company and the receiver of the Cleveland and Marietta Railway, by the terms of which the Standard was to receive drawbacks not only on its own shipments but on those of its competitors:

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The Standard Oil Company never carried this contract through, but sent it back to its manager with instructions to end the arrangement and refund to the shippers the amount of these wrongful rebates.

As a fact, the rebates were collected between March 30 and April 30, 1885, on the oil of Mr. George Rice, a competitor of the Standard. The total amount of these rebates was $340. On October 17, 1885, Mr. Rice filed an application to have the receiver of the railway report whether he was being discriminated against. Twelve days later the Standard agent at Marietta received a check from the company for $340, which was duly paid over to Mr. Rice. The reader will judge whether it was a twinge of corporation conscience, or the pending investigation, which resulted in the disgorging of the "wrongful rebates."

The limits of a review do not permit the pointing out of other inaccuracies in statement, of which the reviewer has noted not a few. While the value of the book is thereby seriously impaired, the author is nevertheless to be commended for his effort to correlate the history of the Standard Oil Company with the railway history of which it is in one aspect an incident.

ALVIN S. JOHNSON.

COLUMBIA UNIVERSITY.

The Life of William Ewart Gladstone. By JOHN MORLEY. The Macmillan Co., New York and London, 1903. — Three volumes, 661, 666, 641 pp.

That the qualifications of the author for the treatment of this subject are in many respects of the highest order goes without saying. His mastery of English prose style, his broadly critical temper, the learning and insight which he has shown in his earlier biographical and critical studies, adequately vouch for the literary success of the work. Another group of qualifications of special value have their origin in the intimate acquaintance which existed between the author and Mr. Gladstone during the later years of that statesman's life, and in the prominent part which Mr. Morley himself has played in the events of the last quarter of a century. Finally, Mr. Morley was made Gladstone's literary executor, and by virtue of that position had access to the great mass of his private papers, a collection which in volume far exceeds what is common even among statesmen. Many of Gladstone's correspondents, also, placed letters which they had received from him in the hands of the author. Not the least interesting chapter in

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the work is that on The Octagon, the room at Hawarden where Gladstone stored the letters and papers of a lifetime. From the sketch there given an idea may be gained of his many-sided interests, as well as of the manuscript material from which in part the biography has been written.

But, as the author remarks, the memorials which Mr. Gladstone has left, whether they be in written or printed form, are to a considerable extent impersonal — the outgrowth of the statesman's public career, the expression of his views on large questions of civil or ecclesiastical policy, or of historical or literary criticism. In his correspondence, even from his early years, Gladstone was a reasoner on somewhat lofty and abstract themes, while in middle and later life to that characteristic was added his absorption in public business. During the most of his life he kept a diary, but its entries, though multitudinous, are brief. So far as its contents are revealed in this work, its chief value is to be found in the light which it throws on his relations with his cabinets. Comparatively few memorials of a genuine childhood and youth appear to have survived. We get in this work a somewhat distant and indistinct view of his experiences at Eton and Oxford. Only glimpses of his family life are given. Of the human side of Gladstone, apart from that which was revealed by his public career, we have the most satisfying account in the chapter on the struggle to retain the estate of Hawarden, and in the narrative of some of the later conversations between the author and the aged statesman, when the two were seeking health and recreation on the continent. It was largely through the acquaintance with business which came as the result of his labors to save Hawarden from ruin, that Mr. Gladstone gained the experience that fitted him for his later work as finance minister.

It is, then, to Mr. Gladstone's life on its public side that the author is necessarily led to devote his chief attention. This had two leading aspects, the one a result of the interest which he took in ecclesiastical questions, the other of his great activities in the secular realm. Of these the former gave to Mr. Gladstone's life an almost unique character. It was the outgrowth of his deeply religious nature, of his early training at Oxford and elsewhere, and of his natural love for the problems of church history and government. It was the source whence proceeded a large part of his literary activity. It furnished a chief basis of his early Toryism. It gave him his intense interest in the tractarian controversy, in the question of church disestablishment, in the Vatican Council, in the relations between Western Christendom and the churches of the East. It made him unsympathetic with the prog-

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ress of natural science and with the modern critical spirit. When he left Oxford, it would have been his choice to enter the church. It was in obedience to his father's desire that he chose a parliamentary and official career. In his later years he wrote thus about the character of his mind and about his early preferences:

> There was a singular slowness in the development of my mind, so far as regarded its opening to the ordinary aptitudes of the man of the world. . . . In truth the dominant tendencies of my mind were those of a recluse, and I might, in most respects with ease, have accommodated myself to the education of the cloister. All the mental apparatus requisite to constitute the "public man" had to be purchased by a slow experience and inserted piecemeal into the composition of my character.

To the activities of Mr. Gladstone as the most prominent layman of the English church the author devotes some attention. Sufficient reference is made to them to show that they occupied a very important place in his career as a whole. But no attempt is made to write his biography from that standpoint. On the contrary, those interests are kept strictly in the background. The public career of Mr. Gladstone in its relation to secular affairs is made specifically the subject of the work. Even with that limitation, accompanied with reasonable condensation and with the exclusion of most unrelated topics, Mr. Morley has found that the theme of Gladstone, the statesman, demands for its treatment nearly two thousand large octavo pages. It necessitates a review of more than sixty years of English history, and that during a period of great events and changes. It raises the question — always a difficult one — to what extent should the general history of the time be utilized in explanation of the ideas and policy of one who has borne a leading part in its events? A further question of proportion relates to the use of extracts from the voluminous letters and papers at hand, either as a substitute for narrative or to enforce and clarify the author's statements. In both these particulars Mr. Morley's chief difficulties have arisen from the abundance of his materials. Notwithstanding the bulk of the work, all readers must admit that the author has drawn upon the general resources of history only to the extent that was necessary to explain Mr. Gladstone's career. While much documentary evidence is introduced, it is not excessive and it does not clog the main current of the narrative. There is no padding, and little waste material in the work. The treatment is ample and full, but it is not overweighted with detail. Not only is the reader's attention sustained throughout, but it steadily grows as the subject unfolds through the

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second and third volumes, and as we approach the time when the author took his place in Parliament and in the cabinet by the side of the great Liberal chief. It reaches a climax in the chapter on the Breach with Mr. Parnell, followed as it was by the wreck of the Home Rule cause and the retirement of Mr. Gladstone from public life.

In the third volume, which deals with events subsequent to 1880, Mr. Morley was specially confronted with another difficulty. How should he impartially treat events of so recent a date, struggles in which he, as well as Mr. Gladstone, had prominently shared, and which had aroused such intense feeling? For this period the book becomes an original historical source in a sense which is not true of the other volumes. Through it all flows a dignified and sustained narrative, from which it must be said that undue partisan reflections are excluded. Gladstone and his great achievements in Parliament and outside are of course the central theme, but not to the disparagement of others or of the opinions which they held. In the third volume, as in its two predecessors, Mr. Morley has fairly maintained the attitude with which he set out, that of intelligent and sympathetic treatment of the great subject which had come to his hand, without undue bias and certainly without "importunate advocacy or tedious assentation."

In the very brief space which remains it is possible to call attention to only a few of the features in the treatment of Gladstone's political career which seem to the reviewer to be especially valuable and suggestive. The account of the relations between the young Gladstone and Sir Robert Peel are of great interest, showing the promptness with which the abilities of the new member were perceived, and how through his service in the Board of Trade he was first brought into close contact with the intricacies of budget legislation. The history of the long process by which, as a member of the group of Peelites, Gladstone held aloof from both parties, but finally, in 1859, abandoned the Tories and joined the Liberals, is detailed at length. But it is on the whole a disappointing record — except in its result — and one which certainly does not arouse the enthusiasm of either author or reader.

During that period, however, Gladstone's interest in foreign affairs was first awakened. This came in 1850 through his study of conditions in the Kingdom of Naples. It was further extended by the Crimean War, and passed through an interesting phase when, in 1858, he went as special commissioner to the Ionian Islands. The Italian war of 1860 found him an ardent supporter of the cause of nationali-

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ties, to which he ever remained true. While his views on finance were being liberalized by the adoption of the principles of free trade, hatred of oppression and the conviction that the rules of public and private morality were fundamentally the same had already made him the foe of dynastic combinations which were not also rooted in the consent of the popular will. As early as 1850 he wrote:

> Ireland, Ireland! that cloud in the west, that coming storm, the minister of God's retribution upon cruel and inveterate and but half-atoned injustice! Ireland forces upon us those great social and great religious questions.

These volumes set forth in detail the proof of the statement — already more than once made — that it was the ardent religious and imaginative element in Gladstone's nature, which came to him through his Highland-Scotch lineage, that in the end swept away his Oxford Toryism and made him a tribune, not merely of the English and Irish people, but of all struggling nationalities.

Full and adequate treatment is given to Mr. Gladstone's financial measures, to his acts for the extension of the suffrage and to his legislation relating to Ireland. The well known story is told with such additions as are furnished by the statesman's private papers. His relations with the Queen are traced through in some detail. A matter of still greater interest to the student of English institutions is the light which is thrown on the relations between Mr. Gladstone as premier and the members of his cabinets. An entire chapter in the second volume is devoted to this subject, while extended references to it occur in several other places. It appears that Mr. Gladstone, instead of playing the dictator, treated his colleagues with the greatest consideration, seeking in all ways to harmonize their differences and to secure their cordial and active support. His large experience and capacity for work of course gave to his opinions great weight, but his leadership was always the legitimate result of intellectual and moral ascendency.

Taken as a whole, this is undoubtedly one of the noblest biographies in the language, a worthy treatment of a great and inspiring theme.

HERBERT L. OSGOOD.

The Tariff Problem. By W. J. ASHLEY. London, P. S. King & Son, 1903. — vi, 210 pp.

Though a large part of this volume is devoted to the task of showing that *something* must be done for British industry, the author presents

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two positive arguments, with several negative ones, in favor of a protective system as a means to that end. The positive arguments may be called the "big stick" argument and the "anti-dumping" argument. The negative arguments are only intended to show that certain alleged evils of protectionism would not exist so far as England is concerned, or would be much less serious than is generally supposed.

By the "big stick" argument is meant the contention that a protective system may be wise when used as a means of securing more favorable terms, say a reduction of tariff duties, from other countries. Professor Ashley begins by quoting the well known passage from Adam Smith, wherein the validity of this argument is admitted.

> There may be good policy in retaliations of this kind when there is a probability that they will procure the repeal of the high duties or prohibitions complained of. The recovery of a great foreign market will generally more than compensate the transitory inconveniency of paying dearer during a short time for some sorts of goods.

He quotes Adam Smith further to the effect that the decision as to whether such retaliations are likely to secure the end aimed at must be left to "that insidious and crafty animal vulgarly called a statesman or politician." Unfortunately "that insidious and crafty animal" is not primarily interested in the question whether such a policy is likely to succeed or not. His main business is to carry elections, and his chief interest in such a policy is in its efficiency as a vote-getter; therefore the politician, as such, is the last person in the world to whom the economist ought to defer on such a question.

The author next quotes, somewhat unfortunately for his cause, from Professor Schmoller, as the leader of the German historical school of economists.

> The new era of protection has arisen not because economists and statesmen have been unable to understand the beautiful arguments of free trade, nor because a few monopolists and manufacturers have dominated the government: *it has arisen from the natural instincts of the peoples.* It does not only rest — in many cases it does not primarily rest — on List's doctrine of educative tariffs (the "productive powers" or "infant industries" argument); it arises from a motive which is rather instinctively felt than clearly understood, *viz.*, *that tariffs are international weapons* (*Machtmittel*) which may benefit a country, if skillfully used.

The italics in the above quotation are mine, and they serve to call attention to the vital point in Professor Schmoller's observations, *viz.*,

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that tariffs are "international weapons" seized upon by the "natural instincts of the people." The correctness of this observation no one can doubt who has watched the course of a tariff campaign in this country and has marked how effectively the designing protectionist has appealed to the natural popular instinct of international jealousy. The author quotes further from Professor Schmoller to the effect that they who ignore the importance of "negotiation-tariffs" dwell in Cloud-cuckooland; but in what sublunary region dwells the ethereal spirit of him who imagines that an international weapon seized upon by the instincts of the people will secure concession rather than further retaliation? Military threats seldom secure concessions except from nations that are weak from a military standpoint. They usually, on the other hand, provoke a blow in return. Similarly, such an economic weapon as a tariff can hardly be expected to secure concessions except from nations industrially weak. The effect of our tariff policy toward Canada, for example, has not been, as certain guileless souls imagined it would be, to bring her a suppliant to our feet. It has been, on the other hand, as anyone who understands the natural instincts of a high-spirited and self-respecting people ought to have known, the means of developing a greater degree of industrial self-sufficiency in the Canadian people, besides provoking retaliatory tariffs against ourselves. In the opinion of the reviewer, neither the commercial world at large, nor England in particular, has anything to hope from the system of retaliatory tariffs.

But aside from the probable results of such a policy as a mere weapon of offence, a tariff system is about the clumsiest and most ineffective weapon imaginable in a popular government; though in the hands of a Napoleon it might be used to some purpose. Such a weapon can not be used without affecting *interests*, and these *interests* are certain to clamor loudly and continuously for attention. It will be found that the "big stick" is not in a single strong hand controlled by a single will, but in a number of hands controlled by diverse and conflicting wills.

By the "anti-dumping" argument is meant the contention that under modern industrial conditions, where the element of fixed charges figures largely in the cost of production, the producers of one country can and will make strenuous efforts to enlarge their output by selling in foreign markets at a price considerably below the total cost of production, provided only it is high enough to pay the running expenses, or what Marshall would call the "prime cost." This "dumping" process becomes especially prominent in times of depression, when it is better to sell at a loss than to stop producing altogether, because to

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stop producing would mean a still greater loss. It is this excessive dumping in times of depression that is peculiarly injurious to the country in the position of the dumpee. In so far as the dumpor pursues a regular and consistent policy of dumping, the dumpee might, and probably would, on the whole be benefited, for, though certain industries might be crushed out, certain others would be fostered, and the consumers would be benefited. But this spasmodic dumping gives no time or opportunity for the development of new industries, while it tends toward the ruin and bankruptcy of certain existing industries.

This argument is undoubtedly sound so far as it goes. Even low average prices for raw materials, when those prices are violently fluctuating and spasmodic, are less desirable from the business standpoint than somewhat higher average prices when they are steady and calculable. But manifestly the argument applies with full force only to that class of industries where fixed charges are high, or where, to use Marshall's phraseology, there is a wide difference between prime cost and total cost. Agriculture is manifestly not an industry of this class, and the "anti-dumping" argument scarcely applies to the proposal to protect British agriculture.

Among the author's negative arguments, the first aims to show that the general presumption in favor of *laisser faire* is not so strong as was supposed by the earlier free-trade economists. Here again the author's argument is undoubtedly sound so far as it goes. The next negative argument is designed to show that the incidence of corn duties does not necessarily and in every case fall upon the consumer of bread. Here also there is a certain basis for the author's position, though he has not made a very thorough analysis of the question, nor does he even show familiarity with the literature of the subject. The argument that the incidence of corn duties falls largely upon the foreign producer gives the poorest kind of support to the proposition to promote British agriculture by such duties. If such duties do not raise the price of wheat in the British market, how are they going to help the British farmer? In so far as they do raise the price of wheat in the British market, they are not borne by the foreign producer. This predicament the author cannily evades by not bringing these two questions together at any point in his discussion.

Aside from the economic consequences of a protective system, there is the question of its effect upon the interdependence of the various parts of the British Empire. As a means of promoting a closer federation, a tariff policy may be, in the author's opinion, an effective agency, but upon such a question there is at least room for difference of opinion.

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If American experience is any guide, British economists and publicists will be slow to base many hopes upon such a policy as that which is now being proposed. Next to the slavery question itself, no other question has been the occasion of so many sectional jealousies and class struggles; and no other question has come so near disrupting the Union itself as the tariff question. In the reviewer's opinion, it is about an even chance whether such a system as that proposed in the volume before us would lead to a closer integration of the British Empire or set at work the forces which will sooner or later cause its complete disintegration.

T. N. CARVER.

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The History of Liquor Licensing in England, Principally from 1700 to 1830. By SIDNEY and BEATRICE WEBB. London, New York, and Bombay. Longmans, Green, and Company, 1903. — viii, 151 pp.

For some time Mr. and Mrs. Sidney Webb have been engaged in a study of English local government in the eighteenth and nineteenth centuries, and they propose to publish the results of their investigation during the present year. Meanwhile they have issued their chapter on liquor licensing, adding to it a short introduction which gives it a certain degree of historical completeness. The authors believe that this little work will prove useful in view of the present position of temperance reform in England, especially because it contains an account of the suppression without compensation of a large number of licensed houses during the eighteenth century. In this belief, they are certainly justified; for the publication of Rowntree and Sherwell's work on *Temperance* a few years ago and the extensive discussion of the relation of liquor consumption to industrial efficiency have aroused in England a wide-spread and practical interest in the question of temperance legislation. Much of the present controversy hinges on the problems of compensation and local or central control, and, with their usual predilection for precedent, English reformers will doubtless welcome this historical account of two hundred years of experimentation. Leaving aside the early manorial and municipal liquor regulations, Mr. and Mrs. Webb take up their subject with the introduction of national measures at the close of the fifteenth century. At the very outset, they call attention to the fact that the regulation of the traffic, from the first, was not based on any abstract theory, but on the prac-

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tical necessities of the state. The preambles of the statutes were filled with complaints against the disorder, crime, and idleness caused by drunkenness, and the legislators were dealing with the liquor traffic as an enemy of social peace. But, as the authors point out, these efforts were constantly thwarted by the utilization of the business for purposes of revenue, and by the governmental policy of encouraging the great brewing and distilling industries. Parliament began the work of regulation in 1495 by an act which empowered any two justices of the peace to close up a public house or take the surety of the keeper for his good behavior. The licensing system was introduced in 1552 by a statute which required all ale-house keepers to hold a license from the justices of the peace. By implication, the local magistrates were invested with discretionary powers as to the conditions of the license, subject, of course, to royal proclamations and the strong administrative supervision of the Privy Council, which lasted until broken down by the Civil War. Under James I, an elaborate system of strict control was devised, but at the end of the seventeenth century a period of general laxness began, and the justices apparently made no attempt to keep down the number of houses. This conclusion of the authors is entirely borne out by Hamilton, in his Devonshire *Quarter Sessions*, a work which they have apparently not used. Drunkenness increased enormously and the government encouraged the liquor industry by several favorable statutes. In 1702, Parliament, finding that the license system was "a great hindrance to the consumption of English brandies," so far repealed the law as to permit distillers to open retail houses at will, and the result was "a perfect pandemonium of drunkenness." The excesses resulted in a reaction, and in 1729 and 1736 Parliament adopted a strong restrictive policy of high license and heavy taxation on the retail trade. The law was so stringent, however, that it defeated its purpose; the consumption of liquor increased, and the government lost its revenues. In 1743, Parliament passed an act designed to secure a revenue from the manufacture and requiring liquor dealers to have licenses issued at a small fee. This measure was followed by a number of minor acts limiting the discretion of the justices and directly regulating the conditions under which the trade was to be carried on. The result was a decrease in illicit business, a rapid growth in the number of licenses, and a notorious laxity in the control of the traffic generally. Wide-spread debauchery was again followed by a reform movement, which has apparently received no attention from other historians of the period. This movement, initiated in 1786–87 and supported by a royal proclamation against vice and immorality, in-

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cluded the adoption, by benches of magistrates in different parts of the country, of such devices as the refusal of new licenses, the withdrawal of licenses from badly conducted houses, and in some cases, even the establishment of a system of local option, all without the slightest idea of compensation. This policy steadily decreased the number of licenses in the face of a growing population and was accompanied by a reduction in the amount of crime and social disorder. The practice of restriction, however, soon awakened a violent opposition based on philosophic radicalism and a general dislike of the monopoly which the system fostered. A series of Parliamentary investigations beginning with 1816 resulted in a report against the control of the liquor business by the justices of the peace. Disregarding entirely all questions as to the social effects of their legislation, Parliament in 1830 passed a bill providing that any rate-payer could open his house as a beer shop without a justice's license or control on payment of two guineas to the local excise office. The effect was instantaneous; in less than six months 24,342 new beer shops were opened and, according to Sydney Smith, the sovereign people was in a beastly state. Crime and social disorder spread rapidly, and even "the optimistic prophecy that an increased consumption of beer would be accompanied by a permanent reduction in dram-drinking was completely falsified" (p. 119). In spite of protests from every side, the Whig doctrinaires refused to return to the restrictive policy. At this point, Mr. and Mrs. Webb close their research, but they append a general survey of the recent legislation. The "free-trade" policy continued in force until 1869, when a modified license system for beer houses was re-established and licensed premises again brought under the control of the justices of the peace, subject to certain limitations on their discretion in refusing licenses. In 1874 the closing hours were fixed by Parliament; in 1886 the sale of liquor to children for consumption on the premises was forbidden, and in 1901 all sales to children were required to be in sealed vessels. The authors end their account by calling attention to the fact that the present tendency of liquor legislation is in the direction of greater control by local government authorities. They defer general conclusions until they have made more exhaustive researches. The book is a valuable contribution to the history of the liquor traffic and displays a scientific calm sadly needed in the discussion of temperance questions.

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The Policy and Administration of the Dutch in Java. By CLIVE DAY, Ph.D., Assistant Professor of Economic History in Yale University. New York, The Macmillan Co., 1904. — xxi, 434 pp.

Professor Day's book is an attempt to give a critical history of the Dutch policy and administration in Java from the earliest days of Dutch settlement in the island to the present time. The book is a valuable one, because there is practically no literature on the subject in the English language of a date subsequent to about 1860 and because the literature of a date precedent to 1860 is of a decidedly sketchy and non-comprehensive character. Professor Day not only covers the entire history of the island during the Dutch occupation, but explains the peculiarities of the Dutch colonial system by showing that they are largely a development of conditions existing in the island before the arrival of the Dutch.

One of the most marked results which the book achieves is the proof it furnishes that the vaunted culture system, when it was at its height of prosperity, was little removed from slavery and involuntary servitude, and that, in addition to the evils which are incident to such a method of solving the labor question, the culture system was accompanied by the disadvantages which attach to any system of governmental regulation of industry. Professor Day regards Money's book, *Java, or How to Govern a Colony* — which up to this time has been regarded as the best authority both on the culture system and on the general subject of Javanese administration — as inaccurate in its details and misleading in the general impressions which it conveys. Money apparently relied for his information very largely upon the impressions which he received during his stay in Java and from conversations with administrative officers and planters, whose interests were connected with a retention and development of the culture system. Professor Day asserts that the statements which Money makes are not borne out by the Dutch documents which form the basis of his own work.

Professor Day has apparently relied entirely on an investigation of the documentary literature of Javanese administration, and has not supplemented his investigation by a personal examination of the conditions of the island. He makes no mention, either in his preface or in the main body of the work, of any visit to Java. It is much to be regretted that he was unable to make such a visit; for, however careful an examination one may make of documents, the impression one gets in this way is apt to be almost as one-sided as that which is obtained merely from a visit. At the same time, all those interested in colonial

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problems, and particularly in the problems arising in tropical colonies, owe Professor Day a debt of gratitude for his careful, laborious and exhaustive study of the sources of information accessible to the European student. His is by far the best book upon the administration of Java which has appeared in the English language.

F. J. G.

Mazzini. By BOLTON KING. London, J. M. Dent & Co.; New York, E. P. Dutton & Co.; 1902. — xv, 380 pp.

This is a volume in the series of Temple Biographies. The aim of the series, as explained in the preface by the editor, Mr. D. Macfadyen, is first, in a general way to contribute to that view of the relation of biography to history which was illustrated by Plutarch and Carlyle, and second, to emphasize the importance of those "men of the spirit," who have stimulated by their idealism movements which they lacked the practical wisdom to make successful.

There can be no room to doubt that Mazzini falls well within the scope of the series. He was easily chief of the host of political and social idealists, visionaries and fanatics who pervaded Europe — and indeed America — between 1815 and 1870. Personally, he was perhaps the most interesting of them all. To absolute unselfishness in his association with his fellows was added a lofty religious and moral enthusiasm and a high sensitiveness to the noblest influences of art and literature. He could and in some degree did play a creative rôle in these last fields of spirituality. But the bent of his fancy was very early turned to politics, where fancy plays its strangest pranks, and for forty years he harped incessantly upon the single chord — a unified Italy under a republican government.

That Mazzini contributed anything but persistent obstruction to the actual attainment of Italian unity, not even his biographer seems disposed to maintain. Mr. King tells the story of his various enterprises with fairness and skill, and in some cases with much sympathy. The Mazzinian philosophy also is set forth with probably more coherence than its own creator could have given to it. The net result of the whole book is, however, to give new confirmation to the view that a man of Mazzini's disposition ought to keep out, or be kept out, of political activities. Let him expend the uncontrollable force of his genius and emotions in founding a new religion or a new cult in music or some other art; the reforming of states and governments calls for

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qualities that are not his. No significant loss to the sum total of human happiness ensued upon the publication of Mazzini's dreams and fancies about music and literature, but deep misery was brought upon millions of human beings by his unbalanced and irrational attempts to revolutionize Italy. Universal experience shows us, indeed, that agitators are inevitable, if not indispensable, in political progress. But no experience shows that humanity is more true to itself in eulogizing the fanatical agitator than in praising the sane statesman. In the long run history must revere not John Brown, but Abraham Lincoln, not Giuseppe Mazzini, but Camillo di Cavour.

W. A. D.

The Politics of Aristotle, with an Introduction, two Prefatory Essays and Notes Critical and Explanatory. By W. L. NEWMAN, Fellow of Balliol College, Oxford, The Clarendon Press, 1887 and 1902. — Four volumes, xx, 580; lxvii, 418; xlvi, 603; lxx, 708 pp.

In the body of writings that has come down to us under the name of Aristotle a prominent place is held by a work on the state — Πολιτικά — known among English-speaking scholars by the misleading title *The Politics*. From the point of view of subject matter one may describe the work as an account of the birth and growth of the body politic, its perfect form as imagined by the writer, the species of it that occurred in the Greek world, their pathology, and the prophylactics of their characteristic ills. This involves a discussion of the household, a criticism of preceding political theories (particularly Plato's), the exposition of general principles concerning the state, the question of the best form of government, the details of the ideal state (incomplete), the several forms of constitution and their decay, together with practical directions for politicians and statesmen. From the point of view of literature the *Politics* may be described as the result of Aristotle's lectures on the state. That it was published, at least as a whole, during the author's lifetime there is no good reason for thinking. The part dealing with the ideal state has literary finish, but it is incomplete and very likely never was completed.

The *Politics* has come down to us divided into eight books. That this division was made by Aristotle himself is improbable, but the division must be very ancient — seemingly at least as early as the edition of Andronicus of Rhodes in the first century B.C.; for by the division into eight books we must explain the present jumbled order of the text

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as a whole, and that order seems to have been already established in the time of Augustus. As early as the fourteenth century it was observed that the present seventh and eighth books should come before the present fourth book, and in the last century it was made plain to many that the sixth book should precede the fifth. The order that is now widely accepted among scholars is 1, 2, 3, 7, 8, 4, 6, 5. But this is not the worst. The treatise opens with a sentence which is hopelessly illogical (though the editors are almost marvellously blind to the fact), and the text is disfigured throughout by evident breaks, dislocations of small sections, and interpolations. How all this came about is a question that has occupied much of the attention of Aristotelian scholars but can perhaps never be fully solved. A posthumous edition by pupils of an imperfectly arranged and incomplete mass of the master's manuscript is perhaps the simplest general solution.

By one of the curious fates of books our earliest text of the *Politics* as a whole is not in Greek. Save for a few fragments, the earliest Greek MSS. are of the fourteenth century; but about the year 1260, as it would appear, a Flemish Dominican, William of Moerbeke, put forth a translation of the *Politics* into bad Latin — a translation which, according to his light, was very faithful and literal. William — who, as a not unworthy reward for his study of Greek at a time when its voice was somewhat more than faint in Western Europe, became archbishop of Corinth — seems to have used a Greek manuscript of the late twelfth or early thirteenth century. His translation (the so-called *vetusta translatio* or *vetus versio*) has, therefore, approximately the value of a manuscript of that date. It is one of the merits of that distinguished Aristotelian scholar of the last century, Franz Susemihl, that in his edition of the *Politics* published in 1872 (the first of his three editions) he published a critical text of William's translation and thus brought it into due prominence.

Some twenty years ago Mr. W. L. Newman — following largely in the footsteps of Susemihl, from whom, as he tells us (vol. iii, p. iii), he "first learnt what the close study of a work of Aristotle's really meant" — undertook to edit the *Politics* with an English commentary. The first volume, made up of a vast introduction, and the second volume, containing the first two books of the *Politics* with commentary, appeared in 1887; but the other two volumes of the huge edition were not published till 1902. In considering the finished work we must, therefore, deal to some extent with what has been before the public for a number of years.

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As in the case of other classical works, the task of an editor and commentator of the *Politics* is a composite one. He must determine as nearly as may be the original words of the author and he must explain those words, wherever they seem to require explanation, from the point of view of language and style, as well as from that of subject matter. Furthermore, he should analyze the work. In the case of the *Politics*, a writing of so great importance for students of history and political theory and practice, the editor should be familiar with subjects not always necessary to the philologian. Thus Mr. Newman's task was a very large one and difficult for any man to accomplish equally well throughout. We shall, therefore, be ready to treat with leniency defects in his edition. The fact that Mr. Newman's habit of mind is that of the student of history and literature rather than that of the philologian in the narrower sense should move the verbal critic to real admiration when he examines his labors upon the text. Mr. Newman is a good classical scholar, but he is no Bentley or Porson, to say the least. However, he sifts the evidence for the text of the *Politics* (including the *vetus versio* to the study of which he makes contributions in vol. ii, pp. xli–lxvii, and in vol. iii, pp. vii–xxv) with learning, intelligence and independence of judgment. That he committed himself at the start to the order of books 1, 2, 3, 7, 8, 4, 5, 6, we may regret — the more so perhaps for the misgiving that he seems to feel in the fourth volume (pp. 149 *et seq.*) — but his discussion of the arrangement of the work is careful and valuable.

It is a pity too, that the text is printed as it is. The present writer has no liking in general for editions in which a thin black line of Greek is placed on the page above a strip of critical notes, and that in its turn above a mass of more or less pertinent exegesis; but surely — especially in the case of such a text as that of the *Politics* — not only should diacritical marks be used pretty freely and according to an easily intelligible system in the text, but also the critical notes should stand on the same page with the text and not be put into a limbo between it and the commentary, as in the present edition.

Mr. Newman's English style is admirable; clear, dignified, elegant and calm, it reflects a scholarly, cultivated and unpedantic mind; but for all that the huge introduction is not easy reading. It is too discursive; there are too many side-lights, too many instances ancient and modern. Surely it would have been far better, had a very careful and precise analysis of the contents of the *Politics* been presented, and had all special points, of a nature to require more extended treatment than can well be given in a rightly proportioned commentary, been

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relegated to separate short chapters or appendices. The work of the editor, while thus losing in apparent unity, would have gained much in real unity and in usefulness to the reader. The defects that have been indicated cannot be obviated by marginal analysis and full indices alone.

What has been said above about ancient and modern instances in the Introduction applies also to the commentary. There is here, as in the Introduction, much that is of great value to the student of the subject matter of the *Politics;* but there are those that would gladly dispense with anecdotes about President Buchanan and other more or less famous statesmen, and with a good deal else that has the air of being extracted from scrap-books, in order that either bulk might be lessened or space gained for matters possibly more vital.

Another matter that perhaps calls for attention here, and that might be emphasized by an editor, is the general thought and habit of mind of Aristotle as displayed in the *Politics*. That a philosopher considering the state, at the time when Alexander was carrying a flood of Hellenism into the East, should consider it from the point of view of the small city-state of the Greek world and practically from that point of view alone, argues a mind of considerable limitations. As a collector of material for scientific investigation, as a systematizer, as a terminologist, and, perhaps, in a smaller degree, as a critic, Aristotle possessed great ability; but he lacked the imaginative power of Plato and even Isocrates's vision of the mission of the Greek race. His lack of original genius on the one hand and his critical spirit on the other caused him to build upon Plato's foundation more perhaps than he knew; but it made him at the same time a carping critic of his master.

Students both of political science and of Greek literature, philosophy and philology will find much of value in Mr. Newman's stately volumes. If he has not produced the final English edition of Aristotle's *Politics*, he has yet labored well and placed scholars in his debt. The reviewer may be pardoned for expressing in conclusion the pious wish that one of his own countrymen might do even nearly as much as Mr. Newman has done for any portion of the writings of "*il maestro di color' che sanno.*"

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BOOK NOTES.

Early Political Machinery in the United States, by George D. Luetscher (Philadelphia, 1903), stands well above the average of doctors' dissertations. It is a careful study of practical political methods in the earliest days of our party organizations, and its purpose is to disclose the beginnings of the convention system in nominating candidates. Whether the author is entirely successful in establishing the thesis which he proposes, may be doubted by some. There is no doubt, however, that the pamphlet contains a large amount of very useful and suggestive information concerning a subject just now attracting much attention — the history of our party machinery.

In a third volume entitled *Select Statutes illustrative of the History of the United States*, 1861–1898, Professor McDonald completes the useful series which he has been publishing in the course of the last few years as an aid to the study of American history. This final volume shows, in the choice of documents and in the editorial notes, the same high standard of excellence which was exhibited in the preceding volumes. The necessity of compression has excluded many statutes which seem at the present time to be of very great importance. Nothing can be said, however, against the importance of those that are actually presented, and therefore the reader must be satisfied. With McPherson's *History of the Reconstruction* held at $15 per volume by the second-hand dealers, Professor McDonald's presentation of leading documents in connection with reconstruction times certainly satisfies a much felt want.

An important *Bibliography of the Philippine Islands* (Part I, 398 pp.; Part II, 439 pp.) has appeared as Senate Document No. 74 of the Fifty-seventh Congress, Second Session. Part I, compiled under the direction of P. Lee Phillips, contains a list of books, official documents, maps, *etc.*, all of which are in the library of Congress. The topical and chronological arrangement, with full subject, author and geographical indices, render the compilation convenient for use. Part II, written in Spanish, is entitled *A Philippine Catalogue*, and is the work of Dr. T. H. Pardo de Tavera, a native member of the Philippine Commission. The general introduction to the work states that this part "aims to be a complete bibliography," but as the author himself admits (p. 8) the list is not exhaustive. Dr. Pardo's annotations generally afford "an idea of what the book says," and in this respect are

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decidedly superior to the few bibliographical notices of a clerical stamp scattered through Part I. In his list of the libraries that possess many works on the Philippines Señor Pardo fails to mention that belonging to the Compañia General de Tabacos de Filipinas at Barcelona, to which most of the Retana collection has been added. The value of the work would have been enhanced by substituting a genuine historical sketch of the Philippine Islands for the fragmentary information conveyed in the Introduction; by translating into English the bibliographical notices in Part I; by translating Part II entire, and appending to it a subject index.

Mr. Belfort Bax has completed his series of studies on the social side of the German Reformation in a volume entitled *The Rise and Fall of the Anabaptists* (Swan Sonnenschein, 406 pp.). In his first volume on *German Society at the Close of the Middle Ages*, Mr. Bax gave a lucid account of the economic changes due to the rise of capitalism at the commencement of the sixteenth century, and pointed out its relation to the break-up of the manorial system, the evolution of the money economy, the decay of the guilds, the growth of the merchant princes, and the development of free competition. In a second volume on the Peasant Wars, he showed how these facts inevitably led to the outbreak of the insurrections in 1525. In the present volume on the Anabaptists, he makes it clear how the same causes resulted a few years later in that economico-religious movement which culminated in the Reformation at Münster. He studies in some detail the communistic ideals of Münzer, Jan of Leyden, and Jan Matthys, and he points out how the social reforms proposed were based on the notion of a return to the economic conditions of the old village community. An original contribution to the subject is found in the chapter on the Anabaptist movement in England. It is quite possible to appreciate the value of Mr. Bax's historical studies and yet to deplore the somewhat irrelevant passages in which he tries to make propaganda for the modern socialist movement.

Dr. Theodor Sommerlad has followed up his investigations on the economic activity of the early church by a monograph on the economic theories of the church, under the title, *Das Wirtschaftsprogram der Kirche des Mittelalters* (Leipzig, Weber, 223 pp.). His description of the economic and social views of the New Testament covers a field that has been well worked of late, but his succeeding chapters on the economic life of the third century in Africa and Egypt, on the theoretical reaction against the economic life of the fourth century, and finally on the counter-reaction and the systematization of the new ideas

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by Augustine, will be found helpful and interesting. The author has gone to the sources in every case, and while his conclusions are not very novel, they form a convenient repertory of the facts.

Recent writers in social and economic history have often called attention to that interesting and original form of barter known as "le commerce par dépôts," or "stummer Handel." Mr. P. J. Hamilton Grierson has now attempted to give an adequate description of this under the title of *The Silent Trade, a Contribution to the Early History of Human Intercourse* (Edinburgh, William Green & Sons, 112 pp.). The bibliography of travels and descriptive works covers fifteen pages, and Mr. Grierson has made good use of all this material in presenting a clear picture of the customs of the primitive market and its survivals in modern times.

Studies of municipal finance in the towns of mediæval Germany have of late become quite common. England and France, however, have suffered from the lack of any such investigation. A good beginning has now been made in the case of France in the elaborate work on the *Finances of the Commune of Douai from its origin to the fifteenth century*, by Georges Espinas (Paris, Picquart, 546 pp.). M. Espinas is the archivist-paleographer in the department of foreign affairs in Paris, and has already attracted the favorable notice of students of economic history by his work on the customs of the merchant guild of Saint-Omer, published two or three years ago. He belongs to the school of M. Pirenne and has evidently been much influenced by the latter's methods and conclusions. The investigation is based entirely upon manuscript material in Douai, and succeeds in presenting, although at considerable length, a very clear picture of the details of mediæval municipal revenue and expenditure. A striking feature of the book is the series of notes, in which the conditions at Douai are compared in almost every important point with those in the other French and German towns. Most of this comparison, however, is with the German towns, because of the paucity of material for the French communes. M. Espinas points out how the original general property tax was of democratic origin, and finally succumbed to the attacks of the aristocratic faction. An especially interesting part of his work is the account of the revenues from municipal property. The volume contains three long appendices; one on the sources, another giving a detailed topographical index, and the third including a number of important documents. Altogether, M. Espinas is to be thanked for a most excellent and scholarly investigation. Let us hope that it will be followed by similar studies in England and France.

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Any one who wishes to be well-informed on the subject of cotton will do well to read Professor A. Oppel's *Die Baumwolle* (Leipzig, Duncker & Humblot, 1902). This work, prepared under the auspices of the cotton exchange of Bremen, contains in its 745 pages a brief history of the culture and manufacture of cotton, a description of prevailing methods of cultivation, a careful treatment of the trade in cotton and cotton goods, and of modern methods of manufacture. There are interesting chapters on the place of cotton in economic life and its influence upon commercial policy. The second half of the work treats in detail of the development of cotton production and of the manufacture of cotton goods in the principal countries. The text is admirably supplemented by maps and illustrations. On the whole, the book is one of the most useful of recent contributions to the literature on commerce.

The newest issue of the *Studies in Economics and Political Science* edited by Professor Hewins of the London School of Economics, is a portly volume by Miss Alice Effie Murray — a *History of the Commercial and Financial Relations between England and Ireland from the period of the Restoration* (London, King, 486 pp.). Miss Murray is one of the two women students who were the first to obtain the doctorate of the faculty of economics and political science in the London University, and her book is an altogether admirable and thoroughgoing piece of work. The history of the commercial relations between England and Ireland is not a pleasant one to relate. Dr. Murray has made excellent use of the original documents and of the pamphlet literature on the subject. After devoting a series of chapters to the barbarous restrictive legislation of England in the seventeenth century, she studies especially the progress of the woollen and linen industries and of Irish agriculture during the eighteenth century. She points out how it was that the free-trade era in the nineteenth century was so ruinous to Irish welfare, and she concludes with a chapter which makes it clear that the future of Ireland depends upon her agricultural progress together with the promotion of the minor cottage industries. A thorough bibliography and index complete an excellent work.

Some years ago Professor W. G. Sumner published a work on *The Financier and the Finances of the American Revolution*, in which an attempt was made to study the influence and the fortunes of Robert Morris. Since the appearance of that work, however, the sixteen manuscript volumes of the valuable Robert Morris papers have become available to students. Mr. Ellis P. Oberholtzer has made use of this opportunity by rewriting the history of the period under the title,

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Robert Morris, Patriot and Financier (Macmillan, 1903, 372 pp.). We accordingly get a much more vivid and lifelike impression of the personality of that remarkable man, who practically bore on his shoulders the financial burden of the early years of the Confederacy, and whose kaleidoscopic changes of fortune were as sad as they were remarkable. Mr. Oberholtzer's volume will be indispensable to all students of the period.

Galiani has frequently been studied as the author of the celebrated dialogues on the grain trade. Comparatively little attention has however been paid to him as the real founder of the subjective theory of value. This attempt has now been made by Mr. Edouard Dessein, in what is evidently a doctor's dissertation, *Galiani et la question de la monnaie au XVIIIe siècle* (Langres, Imprimerie Champenoise, 200 pp.). These views of Galiani are contained in his treatise on money, which was written in Italian in 1750, but which really covers a far broader field than is indicated in the title. The monograph of M. Dessein is not remarkable for its profundity or its erudition, but it may serve a good purpose in calling attention to a somewhat neglected point in the history of economics.

The thanks of all economic students are due to Professor Hollander of Johns Hopkins University for the valuable reprints of economic tracts which he has undertaken. The Series for the year 1903 includes Ricardo, *Three Letters on the Price of Gold;* Malthus, *An Inquiry into the Nature and Progress of Rent;* West, *Essay on the Application of Capital to Land;* and Longe, *A Refutation of the Wage Fund Theory.* The first of these has never before been printed in monograph form, and the others have become quite scarce. Each tract contains a brief introductory note and some valuable text annotations by the editor. It is to be hoped that Professor Hollander's scheme will meet with sufficient financial success to warrant him in continuing the plan for another year, and in reprinting some of the scarcer seventeenth and eighteenth century tracts.

In the ten years that have elapsed since the publication of the first edition of Professor Cannan's *History of the Theories of Production and Distribution,* such substantial progress has been made in economic theory that the doctrines presented in that work, once looked upon as extremely radical, have come to be regarded as almost conservative. In his second edition (London, P. S. King & Son, 1903) the author has found it unnecessary to make any important changes in the body of the work; he has, however, added two sections, on "Changes in the Theories since 1848" and the "Usefulness of the Existing Theories,"

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which make up a convincing argument in behalf of the critical school of economic theory, of which Professor Cannan is perhaps the ablest representative.

While there have been many studies on the shifting and incidence of taxation, comparatively little attention has been paid to the effects of certain minor classes of taxes on transactions. Dr. Leo Petritsch, of the University of Gratz, has attempted to remedy this defect by a study of the shifting of taxes on stock-exchange transactions, under the name *Zur Lehre von der Überwälzung der Steuern mit besonderer Beziehung auf den Börsenverkehr.* (Graz, Leuschner und Lubensky, 85 pp.) The subject is really broader than that indicated in the title, for the author considers not only the tax on ordinary exchange transactions, but also the tax on futures and the tax on real estate. His conclusions, which are reached with much acumen, are that the important results are to be found in the indirect consequences, especially the effect on the formation and economic utilization of capital.

Students of public finance will be interested in the elaborate work on the taxation of tobacco and beer entitled *Tabakmonopol und Biersteuer*, by Dr. Eduard Naef; published as the third number of the *Züricher Volkswirtschaftliche Studien* (Zürich, Rascher, 360 pp.). Although primarily an attempt to study the situation from the point of view of Swiss interests, the monograph covers a much broader field, and includes a study of the conditions in Germany and France. It also makes an attempt to deal somewhat more fully with the problems of the incidence and effects of taxation on tobacco and beer.

The recent agitation of the tariff question in England has led to the compilation of a work entitled *Free Trade and other Fundamental Doctrines of the Manchester School*, edited by Francis W. Hirst (Harpers, 520 pp.). The volume contains most of the important speeches and papers of Cobden, Bright, Hume, and some other leaders of the Anti-Corn-Law League. They are arranged in five parts under the heads of England, Ireland and America, the corn laws, wars and armaments, colonial and fiscal policy, and social reform. Mr. Hirst provides the volume with an introduction which convinces us that the Manchester School is by no means entirely a thing of the past.

Another View of Industrialism (New York, E. P. Dutton & Co., 1903) is the modest title under which Mr. William Mitchell Bowack presents his opinions on economic subjects generally. The distinguishing feature of the work is its point of view, which is "the subjective of Schopenhauer" — whatever that may mean. The author appears to have read a few works on economics, and has arrived at

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some conclusions that are sound, though very old. On the whole, the book is by no means the worst that has ever been written under the name of economics; but it comes near being the most tiresome. Throughout, it is a mere aggregation of opinions, most of them irrelevant to anything whatsoever, advanced with a crude assurance of infallibility that is explicable only in a disciple of Schopenhauer. The only interesting thing in the book is its style, one specimen of which has already become classic: "But as you immediate your timeous relations in transactions you reduce the extent of the capital required."

Oliver R. Trowbridge's book on *Bisocialism* (New York and Chicago, Moody Publishing Co., 1903) furnishes to its readers a profusion of new economic terms, most of which are made to convey a clear meaning. It advocates "bisocialism" or the socialization of "all ground values and all public utility franchise values," as distinguished from "omnisocialism," which would take all capital and the direction of all industry into the hands of the state. Unlike the original advocates of the single tax the author makes much of the socialistic features of his plan, and declares that under it what he terms the "sporadic socialism" which exists within the present industrial system will be retained and extended, though this extension will encounter definite limitations. While there is a certain moderation in the scope of the proposed reforms, there is none in the manner of introducing them. A bald confiscation is advocated on grounds which claim to be ethical. The economic argument in favor of these measures evinces the same belief in the supreme efficacy of this seizure of land and franchise values as a cure-all for industrial evils which is common among persons who are entangled in the logical meshes of the single-tax argument.

Mr. James H. Bridge has edited, with an introductory chapter, a series of magazine articles and addresses on the trust question by Charles R. Flint, J. J. Hill, S. C. T. Dodd, and F. B. Thurber. As these articles are all exceedingly optimistic in tone, the volume is fitly named *The Trust; Its Book* (Doubleday, Page and Co., 255 pp.). Not all the statements are quite so extreme as that of Mr. Dodd, who, in his description of pre-capitalistic days in England, gravely asserts that the "purest country air then was fouler than the air of our city slums." The book will be useful to those who desire to know what the promoters of modern trusts think of their own handiwork.

George L. Bolen's *Plain Facts as to the Trusts and the Tariff* (London and New York, The Macmillan Co., 1902), is a readable and useful work. It recounts the growth of trusts, traces the sources of their

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power for good and evil, and presents the various plans for dealing with them which are worthy of attention. It takes a moderate and sane view of the situation created by the trusts and of the policy which their presence calls for. The latter part of the book is occupied by a discussion of the tariff. The author refutes some venerable claims as to the effect of protection on the rate of wages and contends that the time for a reduction of exorbitant duties is at hand.

Mr. James Howard Bridge's *Inside History of the Carnegie Company* (New York, The Aldine Book Company, 1903) is devoted to the task of proving that the greatness of the Carnegie Company is in no way due to the wisdom and energy of Mr. Carnegie. Brute luck, and the perseverance of partners of whom the public have never heard, placed the Carnegie Company in its predominant position in the American iron and steel industry, if we are to accept Mr. Bridge's views as correct. The *History* is interesting — though somewhat gossipy — and will prove of some value to students of the industrial history of the United States.

The literature on the labor problem in the United States is so meagre that Mr. John Mitchell's judicious, if somewhat popular, discussion of *Organized Labor, its Problems, Purposes and Ideals, and the Present and Future of American Wage Earners* (American Book and Bible House, Philadelphia, 1903, 436 pp.) deserves a cordial reception. It is written in a terse and forceful style and fully makes up for its dearth of historical and statistical information by its sane treatment of phases of the labor movement touching which the author's opinion is of great value. As was to be expected, special chapters are devoted to the anthracite coal strike in which Mr. Mitchell played such a conspicuous and creditable rôle. It is to be regretted, on some accounts, that even greater prominence was not given to this strike, to the exclusion of other topics on which the author has little or nothing to say that is not matter of common knowledge. Of the fifty-one chapters into which the book is divided at least half-a-dozen might have been omitted without any serious loss to the reader. This does not, however, lessen the value of the really admirable discussions of practical phases of trade-unions in the United States in other chapters.

The interesting experiment which is being tried in Holland of settling differences between employers and employees by means of elected labor boards is the subject of a valuable monograph, *Die holländischen Arbeitskammern, ihre Entstehung, Organisation und Wirksamkeit* (Tübingen und Leipzig, J. C. B. Mohr, 1903, xii, 193 pp.) by Dr. Bernhard Harms. The steps preceding the enactment of the law

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of 1897 authorizing these boards are reviewed, their organization is described, and the results of their activity and conclusions in reference to their defects are presented. The law directs the minister of labor, trade and industry to create boards consisting of an equal number of representatives of workmen and of employers for such communes, either single or in combination, and for such trades, either single or combined, as he deems desirable, and to determine the number of members (usually ten) to be elected to each one. These boards choose an executive committee, consisting of one presiding officer and one member from each side, and the presiding officers serve alternately for periods of six months. The purpose of the boards is to collect information in reference to conditions of employment for the benefit either of workmen, of employers or of government officials; to settle disputes between workmen and employers; and to attempt to conciliate the contending parties when strikes or lock-outs occur. They are purely voluntary bodies, notwithstanding their official character, and may be rendered helpless by the refusal of either employers or workmen to continue to participate in them. The conclusion of the author's study is that the public labor boards have accomplished a useful purpose in making the relations between employers and employees more friendly and cordial, but that they have failed of their chief purpose because of the unwillingness of employers to submit to their decisions. He suggests changes in their organization which would make them more efficient, but questions the ability of mere voluntary bodies to secure industrial peace, especially in a country like Holland, in which trade unions are still in their infancy.

Some of the addresses given at the conference of employers and employed which was held in Minneapolis in the fall of 1902, were published in *Public Policy* and are now collected and issued in a volume from the office of that paper. (*Employers and Employes.* The Public Policy Co., Chicago, 1903.) They constitute a symposium on the subject of the best method of dealing with labor troubles, and reveal the attitude of different classes of men toward such measures as are before the public. Of course the views do not entirely harmonize, but that fact does not in any way impair the usefulness of the book.

Mrs. John Van Vorst and Marie Van Vorst in an interesting volume, *The Woman Who Toils* (Doubleday, Page & Co., 1903) tell of their experiences as mill hands in various industrial centers. The authors, as we are again and again informed, belong to the cultured class, and descended for a few weeks into the ranks of labor in order to act as spokeswomen for their less fortunate sisters. Naturally, they found

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the life of the mill hand hard, inæsthetic, unhealthy. They discovered also that there were among the workers persons who had potentialities which made them in a sense kin to the cultured. Mrs. Van Vorst was especially struck by the sacrifices poor girls make in order to secure cheap finery, by their lack of serious purpose and their aversion to the state of wifehood and motherhood. She regards it as a great evil that those who are provided with necessaries by male members of their family should compete with those whose sole means of support is their own labor; and she suggests that those who do not need wages for support should interest themselves in the artistic handicrafts. This is the sole remedy she has to propose for the malady of social decay which she describes. One can but believe that if she had devoted years instead of weeks to her investigation, she would have found the malady less acute, but more deep-seated; and her remedy would have been of quite another nature. Of the part of the book written by Miss Van Vorst, the most important chapter deals with life in a Southern mill town, where, it would appear, the social conditions of the women wage-earners are most deplorable.

A book full of illumination and inspiration is Miss Jane Addams's unpretentious volume on *Democracy and Social Ethics* (New York, The Macmillan Company, 1902). Many a ponderous work on the nature of democracy has failed to get so near to the heart of things as do Miss Addams's studies, born of her intimate knowledge of all sorts and conditions of human beings. No one has ever shown more clearly just why it is that such organizations as Tammany have so tremendous a hold upon the poorer masses of a great city population. It is a phenomenon which can be understood only when we see, as Miss Addams has seen, how the ethics of humanity, of citizenship in a broad sense, of the new and the progressive, conflict in daily life with the ethics of family responsibility, of personal allegiance to the friend who has offered a helping hand. The chapters of this book touch on charitable effort, filial relations, household adjustments, industrial amelioration, educational methods and political reforms.

Le Progrès Social, by Louis Skarzynski (Paris, Felix Alcan, 1901), is a succinct manual of social reform which ought to be in the hands of every practical sociologist. It describes, briefly but adequately, recent attempts, public and private, to ameliorate the conditions of the poorer classes of Europe. Although M. Skarzynski is obviously an enthusiast, his work is for the most part entirely scientific.

Messrs. Rowntree and Sherwell, whose exhaustive study of *The Temperance Problem and Social Reform* has become a veritable text-

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book for temperance advocates in Great Britain, have supplemented that work with a useful discussion of *Public Control of the Liquor Traffic, being a Review of the Scandinavian Experiment in the Light of recent Experience* (London, Grant Richards, 1903, xxx, 296 pp.), in which critics of the "Gothenburg" or "Norwegian" system of control are answered and reasons are urged in support of the introduction of that system into Great Britain. Although controversial in tone, the book gives evidence of careful preparation, and may be commended as a convenient summary of the latest information bearing upon the topic considered.

Another doctoral dissertation from the University of Pennsylvania of noteworthy excellence is that of Carl Kelsey entitled, *The Negro Farmer* (Chicago, Jennings & Pye, 1903). It embodies a study of existing conditions in the South, and its leading purpose is to place in a proper light the relation of various phases of negro development to Southern geology and geography. The text of the monograph puts in some sort of coherency a large number of familiar but rarely so well-correlated facts; but the distinctive value of the work is an admirable series of well-executed and easily understood maps showing for each of the Southern states the distribution of the negroes by counties and in reference to the character of the land, the classification of regions under the latter head including the metamorphic or piedmont, pine hills, pine flats, sand hills, black prairie and alluvial. We know of no other maps that can be compared with these for comprehensiveness and convenience; and the light thrown on the much discussed race problem by a mere glance at them almost justifies the demand that any one undertaking to talk or write on that problem should, in the interest of public order, be required by law to be familiar with them. Not the least significant of the facts emphasized by Dr. Kelsey in his text and illustrated by the maps is, that where there are the most negroes there are the fewest indications of a race problem.

An admirable example of close and comprehensive scientific description is *The Physical Geography of New York State*, by Professor Ralph Tarr (New York, The Macmillan Company, 1902). The state of New York happens to be a region of peculiar physiographic interest on account of the extensive effects of glacial action, which created the system of inland lakes, and on account of the great Niagara gorge. The description of these and other features leads up to a final chapter on the relation of the physiographic features of the state to its industrial development. Students of economics could not do better than to examine this book, and to study with some care its concluding chapter.

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To the student of political science much of interest will be found in the first two parts of Dr. D. B. Macdonald's *Development of Muslim Theology, Jurisprudence and Constitutional Theory* (Scribners, 1903). These two parts deal respectively with constitutional theory and jurisprudence. The author is very successful in applying the categories and terminology of Christian politics and law to the ideas of the Mohammedans, but the result is an exceedingly queer "system." To parallel it in West European experience, one must recur to a time a millennium in the past. The sketch makes it clear that Islam has no message for Christendom to-day in regard to political and legal science. At the same time the knowledge of what passes for such science among the Mohammedans is bound to be useful to the Christian whose mission, whether political or religious, brings him into close relations with them.

German Ambitions, by "Vigilans et Æquus" (New York, G. P. Putnam's Sons; London, Smith, Elder & Co., 1903, xi, 132 pp.) is a book which should never have been written. It is calculated to excite hostility and strife where friendship and harmony should reign. It is the most contemptible essay yet made to secure the friendship of the United States for Great Britain by exciting hostility to Germany. By the concealment of his true name, the author appears to manifest his own appreciation of the meanness of his work.

Mr. John R. Dos Passos's *The Anglo-Saxon Century* (G. P. Putnam's Sons, 1903. — xiii, 242 pp.), deals with the same subject as the preceding work, but it is written with an altogether different spirit and purpose. The author establishes in the most convincing manner the proposition that Great Britain and the United States are natural allies in working out the problem of world civilization; but he does it in a spirit of friendship for all nations and does not anywhere attempt to play upon the meaner passions of human nature in order to secure the end sought. He works out his plan with much particularity and presents it quite clearly. A possible criticism is that the author overlooks the fact that an alliance must precede the attainment of the results which he desires. Moreover, Mr. Dos Passos does not touch upon one thing which is probably essential to the bringing together of Great Britain and the United States; that Germany shall be included in the general understanding. Otherwise, Germany would be compelled to enter upon an alliance with Russia; and in such an event, she would drag the mass of continental Europe with her. Of what use would close friendship with Great Britain be to the United States with the whole of continental Europe arrayed against those two nations?

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